BUDGET 2006

Ministry of
Forests and Range
and Minister Responsible
for Housing

2006/07 – 2008/09
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Message from the Minister and Accountability Statement

As Minister of Forests and Range and Minister Responsible for Housing, I am looking forward to continuing the significant progress made over the past year on forestry and housing issues.

My first priority as Forests and Range Minister in the year ahead is to continue to lead the government response to the Mountain Pine Beetle epidemic. We are working with First Nations and impacted communities and the federal government to update the Province's Mountain Pine Beetle Action Plan. This plan outlines our approach to deal with the infestation's economic, social and environmental impacts; and as part of that plan we will continue to address the long-term economic development and diversification needs of First Nations and communities.

In pursuit of a resolution to the softwood lumber dispute, we'll continue our two-track strategy of negotiation and litigation in partnership with the federal government and other provinces. We will also continue to support both the Coast and Interior forest industries by providing a competitive regulatory framework. And we will continue to develop and expand foreign markets through innovative initiatives like 'Dream Home China.'

By continuing to reallocate timber we will provide opportunities for communities, First Nations and smaller operators, allowing us to diversify the industry and encourage new participants in the forest economy. A renewed emphasis will be placed on the health, restoration and management of rangelands throughout the Province.

Encompassed in all forestry initiatives and in ongoing work is our commitment to make the forest sector a safer place to work. We will continue to work with the BC Forest Safety Council, the Ministry of Labour and Citizens' Services, Worksafe BC and all forest sector stakeholders to introduce a new culture of safety.

In the September 2005 *Budget Update*, we improved support for seniors by approximately doubling the annual funding for the SAFER program (Shelter Aid for Elderly Renters) and improving subsidies for lower income seniors who rent. The changes apply to approximately 12,000 seniors already receiving benefits and open the program to an estimated 7,200 additional seniors.

As Housing Minister, I'm looking forward to building on that success with the release of a comprehensive provincial housing strategy that offers new approaches to the issues relating to homelessness and affordable housing. The strategy will address the housing continuum from homelessness to home ownership.

As well, we'll begin modernizing the building safety regulatory system in B.C. to ensure an effective system for achieving safety in the design, construction and occupancy of buildings. We'll also work to improve homeowner and landlord and tenant protection through amending legislation.

The Ministry of Forests and Range and Minister Responsible for Housing 2006/07 – 2008/09 Service Plan was prepared under my direction in accordance with the *Budget Transparency and Accountability Act*. I am accountable for the basis on which the plan has been prepared. All material fiscal assumptions and policy decisions as of February 8, 2006 have been considered in preparing the plan and I am accountable for achieving the specific objectives in the plan.

Honourable Rich Coleman
Minister of Forests and Range
and Minister Responsible for Housing

February 8, 2006

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Ministry Overview

Purpose of Ministry

In 2005, the Minister of Forests and Range was made responsible for Housing. The two components remain structurally independent, but both report to the Deputy Minister and Minister.

Forests and Range

Since its establishment in 1912 as the Forests Branch, the Ministry of Forests and Range (also known as the Forest Service or MoFR) has continued to protect the public's interest and provide leadership in the protection, management and use of the province's forest and rangelands. The Forest Service is the main agency responsible for the stewardship of 47 million hectares of provincial forest land and fire protection services for 84 million hectares. The ministry's role also includes maintaining a policy and regulatory framework that creates a competitive forest industry. Managing provincial forests and range resources presents a unique and complex set of challenges. More than 90 per cent of British Columbia's forestlands are publicly owned, which means that the provincial government, on behalf of the public, plays a much more prominent role in the forest sector than its counterparts in other forestry jurisdictions.

The ministry pursues its goals for sustainable forest and range resources and benefits in a consultative manner with the public, industry, and other Crown agencies, while recognizing the unique interests of aboriginal people. In this way, the ministry works to earn the public's trust as our staff make the day-to-day decisions which ensure that all British Columbians can look forward to sustainable forests and range and a strong forest economy now and in the future.

Office of Housing and Construction Standards

The Office of Housing and Construction Standards brings together key areas of government devoted to addressing the broad housing needs of British Columbians. The Office is responsible for provincial housing policy, building policy, safety policy, and the Residential Tenancy Office. In addition, the Office has responsibility for several Crown agencies, boards and commissions including BC Housing, the Homeowner Protection Office (HPO), the Building Code Appeal Board and the Safety Standards Appeal Board. The Office is divided into three core business areas: Housing, Building and Safety Policy, and the Residential Tenancy Office. The Office has 103 full-time equivalents and a 2006/07 budget of $209.70 million. Ninety-two per cent of the budget is transferred to BC Housing for housing assistance programs. With this structure, government's efforts to improve access to safe and stable housing for all British Columbians are integrated and aligned.

In the coming year, the Office will introduce three major initiatives:

- The Provincial Housing Strategy;
- Modernization of systems to achieve safety in the design, construction and occupancy of buildings; and
- Additional consumer protection to those living in supportive housing and assisted living arrangements.

Section A: Ministry of Forests and Range

Vision, Mission and Values

Vision: ***Diverse and sustainable forest and range values for B.C.***

Forest and range values include the social, economic and environmental values associated with our forest and range resources. Economic values include timber, forage and fisheries resources that contribute to our economy. Environmental values include soil, water, fish, biodiversity, and wildlife. Social values include recreation resources, visual quality, resource features, and cultural heritage resources.

Mission: ***To protect, manage and conserve forest and range values through a high performing organization.***

The Ministry of Forests and Range is commissioned in the *Ministry of Forests Act* to protect, manage and conserve the forest and range values identified above. The mission includes people working together demonstrating the values, or principles below, and creating a high performing organization.

People

People are valued for their contribution and dedication to the Forest Service, its mission and vision.

Values

Our Values:

1. **Integrity** — We are open, honest and fair.
2. **Accountable** — We are responsible for our own decisions and actions.
3. **Innovative** — We encourage and support each other to create new and better ways to do our business.
4. **Respectful** — We show respect by listening to and recognizing a diversity of values and interests. We work with each other in a spirit of trust, mutual respect and support.

Strategic Context

Environmental Trends

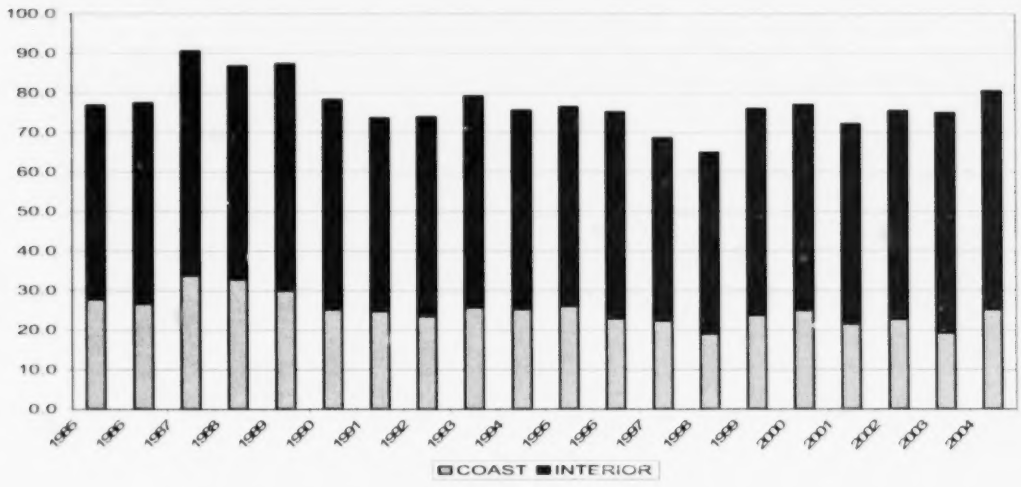
The total amount of forest area in the world continues to decrease due to deforestation. Despite this trend, nearly every major forested region of the world is growing more wood than it can use annually. In British Columbia, the 2004 timber harvest was about 80 million cubic metres — five per cent above the average five-year harvest (see Figure 1). Although fluctuations in the annual harvest level are not unusual, the recent increase is attributed to strong market prices and the salvage of fire and beetle-killed wood.

In early 2005 the International Kyoto Protocol came into force. Under the terms of the protocol, Canada, along with 38 other countries, committed to reducing carbon dioxide emissions. The protocol discusses long term storage of carbon in growing forests as a potential contribution to countries meeting Kyoto targets; however it is not yet clear how it may apply to our managed forests.

Locally, British Columbia continues to face a number of ongoing environmental challenges including higher average temperatures, increased concern about water supplies and air quality, more severe fires, and epidemic insect infestations. Currently, a Mountain Pine Beetle infestation is devastating the mature pine forest in Interior B.C. In addition to threatening the stability and economic well-being of First Nations and Interior forest-dependent communities, the beetle epidemic has serious implications for water tables, stream flow regulation, erosion, water quality, fisheries, forest fires and wildlife habitat. Mitigation of the impacts of the epidemic is addressed in a comprehensive Mountain Pine Beetle Action Plan, described in Appendix 2.

As a result of global, national and local challenges the pressure and need to sustainably manage British Columbia's forests will become even stronger as we more forward into the future.

Figure 1: Annual Timber Harvest (Crown and private lands), 1985-2004



Social Trends

The population in Canada is aging as a result of increased life expectancy and lower birth rates. In relation to the aging population, the forest industry in British Columbia and all across Canada is facing challenges attracting and retaining young skilled people — a problem which may become worse as older workers retire[1].

The location of B.C.'s population is also changing with more people locating in urban centres. As of 2001, 85 per cent of the British Columbia population was living in urban centres, an increase of five per cent since 1991. As the urban-rural split expands, the connection to and understanding of the natural environment may become a challenge. This may be a symptom of why post-secondary enrollment in forestry programs has been declining over the last several years. The ministry is working with other agencies and educational institutions on a recruitment strategy including having the office of the Chief Forester located at the University of Northern British Columbia.

The population of British Columbia includes a large, culturally diverse and geographically dispersed First Nation population. The provincial government has committed to build a new relationship with First Nations in B.C. and to help ensure the strategic vision and goals set for all British Columbians are achieved for Aboriginal British Columbians. The new relationship is based on respect, recognition of Aboriginal rights and title, and reconciliation.

[1] Performance and Potential 2005-06 — The World and Canada: Trends Reshaping our Future, Conference Board of Canada, 2005.

Economic Trends

The economic circumstances and condition of the B.C. forest industry is continually changing due to a number of factors including global competition for market share, duties on lumber to the U.S., fluctuations in commodity prices, the value of the Canadian dollar against the U.S. dollar, aging capital investments and low returns on capital.

- World competition is growing. Many countries are playing an increasingly important role in the global forest industry as potential customers (e.g., China, India and Indonesia) and competitors (e.g., Russia, Europe and Brazil) of B.C. forest products.
- The trade dispute between Canada and the U.S. over softwood lumber is ongoing. In B.C. we continue to look for policy solutions to help bring resolution to the dispute. In the meantime, while B.C. maintains its 18 per cent U.S. market share, the U.S. market share of other countries is beginning to grow. Despite the dispute, the U.S. continues to be the primary market for B.C. forest products, as 65 per cent of British Columbia's total provincial forest product was exported to the U.S. in 2004.
- Lumber prices were relatively strong throughout 2005 (see table 1) however prices are anticipated to deteriorate in 2006 which will affect the B.C. forest industry's ability to offset softwood lumber duties and other costs.
- Although pulp and paper prices remained strong in 2005 (see table 1), the B.C. pulp and paper industry struggles to remain profitable due to its aging capital, the relative size of the industry in comparison to international competitors, competition from non-wood pulp and technological alternatives to paper, as well as rising energy costs. Due to the interconnectedness between the pulp and paper and lumber industries, the strength of the pulp and paper industry is an important factor in the health of the entire B.C. forest industry.

Table 1: Commodity Prices

Product	Unit	Annual Average 2005*	Annual Average 2004	Annual Average 2003
Spruce Pine Fir	U.S.$/000 bd. ft.	357	392	269
Hemlock Baby Squares	U.S.$/000 bd. ft.	536	613	534
Northern Bleached Kraft (NBSK)	U.S.$/tonne	612	615	522
Newsprint	U.S.$/tonne	604	550	501

* YTD Average as of November 2005.

Source: Madison's Canadian Lumber.

- Throughout 2005 the Canadian dollar continued to rise against the U.S. dollar and as of November was just below 86 U.S. cents. The rising Canadian dollar has had multiple impacts on the B.C. forest industry including increasing the relative cost of production in B.C., and reducing B.C. companies' profits as most forest products are sold in U.S. dollars.
- Although B.C. sawmills are considered to be some of the largest and most efficient in the world, the financial performance of the forest industry is threatened by its low return on

capital. The situation is worse on the Coast where the average return on cost of capital is half of the B.C. average. The coastal industry is faced with high fibre costs, loss of markets and lack of capital investment. Much has already been done through forest policy changes, and the government continues to explore new ways to work with the coastal forest industry to explore new markets and streamline regulations.

Internal Trends and Capacity

A key strength of the Forest Service continues to be dedicated staff with a commitment to finding solutions to the many forest sector challenges. The loss of expertise through retirements and the challenge to attract new recruits will also impact the ministry. A further key strength of the ministry is improved efficiency of service delivery through adoption of e-business. However, a related challenge is to keep current with technology as demand builds on ministry systems.

Key Strategic Issues

Recent market based policy changes, the Mountain Pine Beetle infestation, a struggling coastal and pulp and paper industry, international market forces and fostering the development of a new relationship with First Nations all continue to challenge the B.C. forest sector. In 2006/07, the ministry will continue implementing the policy changes associated with the Forestry Revitalization Plan and the *Forest and Range Practices Act*. The ministry will also continue to deal with the impacts of the Mountain Pine Beetle epidemic, address the softwood lumber dispute, work to improve safety in the forest industry, work closely with First Nations to increase their participation in the forest sector, and consider our forest management practices in light of fuel management and mitigation of climate change impacts. Forestry is a cyclical industry and despite the current challenges it is anticipated that the forest sector will continue to contribute positively to the province's economy. The forest products exports make up 45 - 48 per cent of the province's exports.

Core Business Areas

1. Protection Against Fire and Pests

The ministry manages wildfire to protect natural resource inventories and investments in the forest land-base. Our forest fire response is primarily focused on protecting lives and government forest assets, particularly timber. Without fire protection, some 500 000 hectares of productive forest could be lost annually costing the province billions of dollars in potential direct revenue.

Forest Protection also includes the detection and management of insect pest outbreaks and the control of invasive plants on areas under the responsibility of the province. Insect pests of key significance are bark beetles and gypsy moth infestations. Other defoliators, endemic pests and outbreaks of local significance are also managed.

2. Forest Stewardship

The functions in this core business area are fundamental to ensuring sound environmental stewardship of forest resources to ensure that they are used in a sustainable way. This in turn supports global recognition of environmental stewardship for British Columbia and British Columbia companies by ensuring that an appropriate regulatory framework is in place. This can also provide a foundation for forest certification of company operations.

Stewardship includes the regulation of forest practices, inventory, timber supply planning and allowable annual cut determination, applied research, silviculture, and forest gene resource management.

3. Range Stewardship and Grazing

This area focuses on ensuring sound environmental stewardship of the range resource through the regulation of range practices and forage supply management. Primary activities include allocating, administering and managing range use, evaluating rangeland health and effectiveness of range practices, restoring degraded rangeland ecosystems, and promoting and fostering rangeland use and management. The ministry champions integrated provincial responses or strategies to address serious threats such as invasive plants, land alienations, recreational use, forest encroachment on grasslands, in-growth/infilling in dry forest ecosystems, Mountain Pine Beetle impacts on natural range barriers and other range-related epidemics. All of these activities are aimed at maintaining or improving the health of the beef cattle industry in the province.

4. Compliance and Enforcement

This core business includes all activities related to upholding B.C.'s laws for protecting the province's forest and range resources under the ministry's jurisdiction including:

- enforcing environmental practices, results and strategies for forest and range management carried out both by the government and by forest and range tenure holders under the Forest Practices Code until December 31, 2006 and under the new *Forest and Range Practices Act* starting January 31, 2004;
- enforcing regulations to minimize fire, pests, and unauthorized activities that threaten the province's forest and range resources;
- under signed agreement with the Ministry of Tourism, Sport and the Arts, enforcing rules governing the use of forest recreation sites and trails;
- enforcing the revenue and pricing legislation that govern removal and transportation of timber, marking, scaling, marine log salvage; and
- combating "forest crimes" (theft, arson, mischief) which are a significant drain on provincial revenue and a significant risk to other environmental, social and economic values.

5. Forest Investment

The Forest Investment Account (FIA) is a forest-sector investment model, led by government, established to deliver investments on Crown land in an accountable, efficient manner. Investment dollars have been directed to activities on public land — enhanced forestry, watershed restoration and resource inventories — and marketing and research that supports sustainable forest management and increased allowable annual cuts. Administration of most FIA activities is provided by third parties rather than by government staff. PriceWaterhouse Coopers, the Federation of BC Woodlot Associations and Forestry Innovation Investment Ltd.

- accept investment schedule proposals and confirm they constitute an optimum mix of expenditures to promote sustainable forest management;
- ensure that each proposed activity is eligible for Forest Investment Account funding;
- provide funds to successful proponents and track project delivery; and
- are responsible for performance and financial auditing. Table 2 lists these programs with their administrators.

FIA Programs that support the Ministry's Sustainable Forest Resources goal at the provincial level include the Forest Science and Crown Land Use Planning programs. At a more local level funding is allocated to tree farm licence holders and certain tenure holders in each timber supply area under the Land Base Investment Program, and to woodlot licence holders and holders of a community forest agreement under the Small Tenures program. Activities under the latter two programs include resource inventories, stand establishment and treatment, and restoration and rehabilitation.

Table 2: Administration, Planning and Reporting Responsibilities for FIA Programs

FIA Program	Administrator	Plans and Reports
Land Based Investment Program	PriceWaterhouseCoopers LLP (PwC)	Activity reporting, Audit Plan and Annual Report
Tree Improvement Program	Ministry of Forests and Range	MoFR Service Plan and Annual Service Plan Report
Crown Land Use Planning Enhancement Program	Integrated Land Management Bureau	Ministry of Agriculture and Lands Service Plan and Annual Service Plan Report
Small Tenures Program	Federation of B.C. Woodlot Associations (FBCWA)	Activity reporting, Audit Plan and Annual Report
Forest Science Program	PriceWaterhouseCoopers LLP (PwC)	Forest Science Board Strategy and Business Plan, Activity reporting, Audit Plan and Annual Report
Product Development Program	Forestry Innovation Investment Ltd (FII)	FII Ltd. Service Plan and Annual Service Plan Report
International Marketing Program	Forestry Innovation Investment Ltd (FII)	FII Ltd. Service Plan and Annual Service Plan Report

Under the goal of Sustainable Forest and Range Benefits, the FIA promotes investment in product development and international marketing activities. Forestry Innovation Investment Ltd. (FII), a Crown corporation, administers both of these programs at the provincial level.

6. Pricing and Selling Timber

The Forest Service has a major role in ensuring that the citizens of British Columbia benefit from commercial use of their forests. This relies on a strong forest economy and a competitive forest sector, which in turn is dependent on a fair pricing system, effective allocation and administration of timber harvesting rights, and a safe and cost effective road infrastructure to access timber.

Core business activities to achieve this goal include timber tenure administration, timber pricing (tied to BC Timber Sales activities), scaling, market access activities, maintaining a forest road infrastructure and First Nations consultation and accommodation.

Tenures issued by the Ministry of Forests:

- 34 Tree Farm Licences
- 812 Woodlot Licences
- 11 Community Forest Agreements
- 155 replaceable and 168 non-replaceable Forest Licences
- 88 replaceable and 641 active non-replaceable Timber Sale Licences
- 620 Timber Licences
- 10 Pulpwood Agreements
- 1597 Forestry Licences to Cut

7. BC Timber Sales

The Forest Service has a core responsibility to provide British Columbians with benefits from the commercial use of public forests. The BC Timber Sales organization contributes by developing and offering through auction a significant portion of the provincial allowable annual cut. In doing so the division generates pricing and cost data to drive market-based pricing on the Coast, earns substantial net revenue for the Crown, and provides competitive access to timber for industry. BC Timber Sales is obligated to meet all requirements of the *Forest and Range Practices Act* and the Forest Practices Code, including achievement of reforestation obligations.

8. Executive and Support Services

This core business focuses on corporate governance and service delivery activities in support of all ministry functions. Activities are structured within key frameworks for policy and legislation development, performance management, and internal audit and evaluation. Executive, regional and district management, and staff in the Corporate Services Division play a key role in delivery of these functions.

Support service activities include finance and administration, human resources, central infrastructure management, Freedom-of-Information, records management, continuous improvement and the application of information technology. These services are delivered at all levels of the organization — branch, region and district. While focused at supporting internal management and employees, they also serve industry and the general public.

Resource Summary

The Ministry of Forests and Range estimates for 2006/07 are $723.814 million. Funding for the ministry is provided in the Ministry Operations Vote and the Direct Fire Vote of the legislature and three special accounts (BC Timber Sales, the Forest Stand Management Fund (FSMF) and the South Moresby Forest Replacement Account (SMFRA)). The SMFRA expenditures are under the oversight of a joint federal — provincial management committee. Forest Investment expenditures are overseen by a Forest Investment Council.

Ministry Goal	Funding Source (Vote or Special Account)	Core Business
Sustainable Forest and Range Resources	• Direct Fire	• Protection Against Fire and Pests
	• Ministry Operations Vote	• Protection Against Fire and Pests • Forest Stewardship • Range Stewardship and Grazing • Compliance and Enforcement • Forest Investment
	• FSMF (special account)	• Forest Stewardship
	• SMFRA (special account)	• Forest Stewardship
Sustainable Forest and Range Benefits	• Ministry Operations Vote	• Pricing and Selling Timber
	• BC Timber Sales (special account)	• BC Timber Sales
Highly Effective Innovative and Responsive Organization	• Ministry Operations Vote	• Executive and Support Services

Core Business Areas	2005/06 Restated Estimates[1]	2006/07 Estimates	2007/08 Plan	2008/09 Plan
Operating Expenses ($000)				
Protection Against Fire and Pests	127,438	118,654	116,554	102,552
Forest Stewardship	89,195	96,707	80,258	103,425
Range Stewardship and Grazing	5,048	6,506	6,602	4,601
Compliance and Enforcement	25,609	25,876	25,876	25,876
Forest Investment	89,000	121,055	126,055	126,055
Pricing and Selling Timber	119,576	136,868	140,763	132,920
Executive and Support Services	48,542	49,048	49,053	48,349
BC Timber Sales	148,395	169,100	193,100	202,000
Total	**652,803**	**723,814**	**738,261**	**745,778**
Full-time Equivalents (Direct FTEs)				
Protection Against Fire and Pests	684	718	718	713
Forest Stewardship	364	414	416	406
Range Stewardship and Grazing	46	49	49	47
Compliance and Enforcement	292	292	292	292
Forest Investment	57	62	62	62
Pricing and Selling Timber	733	831	846	860
Executive and Support Services	527	583	583	572
BC Timber Sales	574	610	610	610
Total	**3,277**	**3,559**	**3,576**	**3,562**
Ministry Capital Expenditures (Consolidated Revenue Fund) ($000)				
Protection Against Fire and Pests	3,360	2,478	2,397	2,397
Forest Stewardship	5,307	3,782	3,369	2,882
Range Stewardship and Grazing	6	6	7	7
Compliance and Enforcement	1,911	1,548	1,548	1,548
Forest Investment	0	0	0	0
Pricing and Selling Timber	3,848	4,476	4,179	3,864
Executive and Support Services	7,698	6,561	5,671	5,672
BC Timber Sales	990	801	801	801
Total	**23,120**	**19,652**	**17,972**	**17,171**
Other Financing Transactions ($000)				
BCTS — Disbursement	83,798	63,400	41,300	33,400
Total Disbursements	**83,798**	**63,400**	**41,300**	**33,400**

[1] These amounts have been restated, for comparative purposes only, to be consistent with the presentation of the 2006/07 *Estimates*. Schedule A of the *Estimates* presents a detailed reconciliation.

Explanations and Comments

The Mountain Pine Beetle Action Plan is supported by:

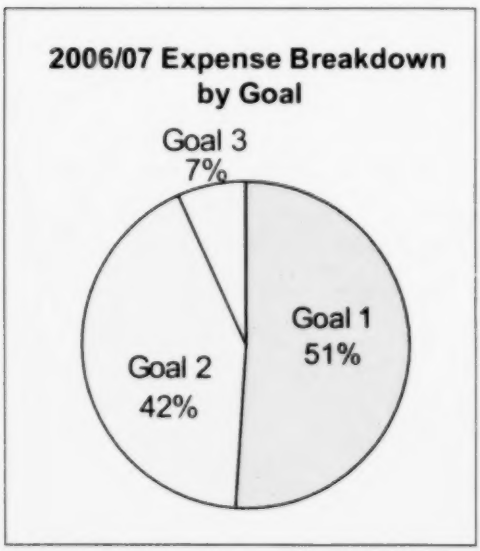
- Provincial funding that began in 2004/05 and will continue to address the increased tenure administration associated with an increased allowable annual cut and the salvage of the timber.
- Federal funding from the Mountain Pine Beetle Emergency Response: Canada-B.C. Implementation Strategy of $100 million over three years starting in 2005/06.

Provincial and federal funding is part of the Protection against Fire and Pests, Forest Stewardship, Range Stewardship and Grazing, Pricing and Selling Timber and Executive and Support Services Core Businesses.

Funding for the Forests for Tomorrow initiative to address reforestation of areas impacted by wildfire and Mountain Pine Beetle, began in 2004/05 and increases annually until 2008/09. It is included in the Forest Stewardship Core Business.

Funding for inventory staff transferred to the Ministry in 2005/06 is included in the Forest Stewardship Core Business, starting in 2006/07.

Ministry Expenses by Goal



Goal:

1: Sustainable Forest and Range Resources.

2: Sustainable Forest and Range Benefits.

3: Highly effective, innovative and responsive organization.

Goals, Objectives, Strategies and Results

Overview

This section presents the ministry's goals, indicates their linkage to government's Five Great Goals and outlines how specific objectives and strategies within the ministry's eight core business areas are helping to achieve the ministry's goals, as tracked by performance indicators.

Ministry Goals and Their Linkage to the Five Great Goals

Government's goal to "Lead the world in sustainable environmental management, with the best air and water quality, and the best fisheries management," is directly supported by the ministry's goal of Sustainable Forest and Range Resources. In 2006/07, MoFR will continue to support this goal with new reforestation initiatives, performance-based regulation, a fuel management strategy, management of Mountain Pine Beetle impacts through implementation of the Mountain Pine Beetle Action Plan, assessment of forest practices in relation to climate change and ongoing management programs that support sustainable forest resources.

The ministry directly supports the Government's goal to "Create more jobs per capita than anywhere in Canada," by working to maintain competitive forest and cattle industries, completing market pricing reform, improving market access through trade negotiations and expanded markets in Asia, and supporting rural job creation for First Nations and communities. Optimization of Crown forest revenue supports all of the government's goals.

Cross Ministry Initiatives

Mountain Pine Beetle

The Ministry of Forests and Range is the lead agency coordinating Government's response to B.C.'s Mountain Pine Beetle epidemic. In 2005/06, the federal government provided $100 million over three years through the Mountain Pine Beetle Emergency Response: Canada-B.C. Implementation Strategy. This funding supports the province's five-year Mountain Pine Beetle (MPB) Action Plan. The plan also provides a framework to guide provincial agencies, and to assist communities, First Nations and stakeholders in mitigating the economic and environmental impacts of the infestation. In addition, the Forests for Tomorrow reforestation program that began in March 2005 provides funding for rehabilitation and regeneration of forests and ecosystems affected by wildfires and the Mountain Pine Beetle.

Responding to the MPB epidemic in the long term requires ongoing cross government co-ordination. Short- and long-term plans are focused on:

- Mitigating the impacts of the infestation on the forest resource, while recovering the greatest value and maintaining and protecting public health, safety and infrastructure. These activities involve working with the federal government, the Government of Alberta, and the B.C. Ministries of Agriculture and Lands, Environment, Aboriginal Relations and Reconciliation, Community Services, Transportation and Health.
- Minimizing the socio-economic impacts of the infestation while encouraging long-term community sustainability. Many of these actions are long term, and will be developed and implemented working with the Ministries of Agriculture and Lands, Economic Development, Environment, Aboriginal Relations and Reconciliation, Energy, Mines and Petroleum Resources, Tourism, Sport and the Arts, Inter-Governmental Relations, and Advanced Education.

Other priority cross ministry initiatives for the Ministry of Forests and Range include First Nation relationships, Front Counter BC, and Forest Safety.

- **First Nations** — The Ministry of Aboriginal Relations and Reconciliation (MARR) is the lead government agency in furthering the government's New Relationship with First Nations and improving First Nations' economic and social position in B.C.

  The Ministry of Forests and Range has a key role in supporting the MARR in treaty negotiations and furthering the New Relationship. The ministry also has a key role in assisting First Nations become active participants in the forest sector. This is achieved through the negotiation of Forest and Range Agreements that provide economic benefits such as opportunities for tenure, and revenue sharing. These same agreements outline a streamlined process of consultation and accommodate for aspects of First Nation rights and title. In addition to these agreements, the MoFR provides additional economic opportunities for First Nations through providing volumes of beetle-attacked and fire-killed timber.

  The development of policies and programs that involve First Nations in mitigating the impacts of the Mountain Pine Beetle on the environment and First Nation communities is also a priority for 2006/07.
- **Front Counter BC** — This new government initiative, involving all the natural resource ministries (MAL/ILMB, MoFR, MoE, MOT and MEMPR), seeks to provide one point of contact for the public and clients in all eight major regions in the province. This coordinated initiative should make it easier for the public to find the right land-based information more efficiently. The front counters are expected to be open for business by March 31, 2006.
- **Safety in the Forest Industry** — The Ministry of Forests and Range in cooperation with the Ministry of Labour and Citizens' Services is working with the B.C. Forest Safety Council and Worksafe BC to reduce the number of deaths and serious injuries in the forest industry. Recent steps include the appointment of a Manager of Forest Safety

Initiatives in B.C. Timber Sales and in the ministry and a review of current legislation, regulation and policy to identify gaps and potential improvements between the ministry and Worksafe BC. The ministry and BC Timber Sales will support the development of a SAFE Companies standard by the BC Forest Safety Council, which will allow forest sector companies to show, by way of an independent audit, that they meet certain benchmark safety criteria. The ministry and BC Timber Sales will also participate in the April 2006 piloting and subsequent implementation of this initiative.

In addition to the above priorities, MoFR also works jointly with the following ministries:

- The Ministry for Economic Development on the Asia-Pacific Strategy and pursuing new markets for forest products. This includes Forestry Innovation Investment's Dream Home Canada/China marketing program, as well as markets for new wood products from beetle-affected wood;
- The Ministry of Environment on climate change strategies, respond to habitat concerns for species at risk, and coordinate range and fire protection and fuel management in provincial parks and protected areas;
- The Integrated Land Management Bureau on land use planning and strategies, and for providing and using information in the government's land-base data warehouse;
- The Ministry of Agriculture and Lands on an invasive plant strategy;
- The Ministry of Tourism, Sport and the Arts, for forest recreation sites and trails;
- The Ministry of Transportation, for forest road planning and emergency programs;
- The Ministry of Provincial Revenue, regarding forest and range revenue collection; and,
- The Office of Regulatory Reform regarding future regulation.

Performance Plan

In keeping with B.C.'s Eight Reporting Principles to focus on a few, critical aspects of performance, and to better link goals and objectives to results, MoFR has reduced its number of performance measures and indicators from 40 in the 2005/06 Service Plan Update to 11 measures in this plan, and nine in an Appendix.

- Many of the measures that are no longer included in this plan are continuing to be tracked as part of the Ministry's Internal Service Plan (or Business Plan), to enable the ministry to manage performance effectively.
- The nine measures included in Appendix 2 are part of the Province's commitment to report on the Mountain Pine Beetle Action Plan supported by $100 million in federal funding.

Goal 1: *Sustainable Forest and Range Resources.*

As stewards of British Columbia's forest and range resources, the Ministry of Forests and Range has the responsibility to ensure the use of these resources to generate economic benefits is balanced with their long-term viability. The ministry ensures that appropriate forest and range management practices and incremental investments are used to maintain and improve the long-term sustainability and health of the province's forest and range resources.

The province continues to ensure reforestation with the five billionth tree planted in 2002, and an estimated 580 million additional seedlings planted to-date on areas harvested or affected by fire and disease.

Core Business Area: *Protection against Fire and Pests.*

Objective 1: *Wildfire and forest pests are prevented and managed*

This objective reflects the ministry's intent to protect forest and range resources and investments by minimizing losses and mitigating future risks from wildfire and forest health infestations, including insect pests, diseases and invasive plants.

Over the past three years, achievement of this objective has been supported by implementation of recommendations from the internal and external inquiries of the 2003 and 2004 fire seasons. Several key initiatives were implemented including the addition of 2 air tankers to the fleet, 100 additional firefighters and development of a provincial fuel management strategy. The strategy has provided funding for over 60 Community Wildfire Protection Plans to date and for over 45 fuel management projects that are currently underway. As well, British Columbia has taken on a key role in developing the Canadian Wildland Fire Strategy to help protect communities and accelerate improvements to the provincial and national wildfire infrastructure.

Achieving this objective for wildfire also depends on the severity of hot, dry weather, ground fuel accumulations, and availability of trained crews, equipment, air tankers and other resources. Preparedness, in the form of having crews and resources available, is the best way to address the risk of hot, dry weather. Availability of resources depends on partnerships with the federal government, local governments, communities and the forest industry, which the ministry pursues as a key strategy.

The ability of the ministry to manage forest pest infestations is largely influenced by our predictive ability with insect population cycles, and ongoing monitoring and detection. The ministry coordinates research and modeling of insect populations with other agencies, and ensures that an aerial overview survey of provincial forests is done each year to detect new or growing infestations. Managing forest pests is done in partnership with the federal government and forest industry, and in the case of an epidemic with economic impacts like the Mountain Pine Beetle, in coordination with communities, First Nations and other government agencies.

Strategies for preventing and managing wildfire:

- Ensure fire preparedness and rapid effective initial attack by continuing to implement the new *Wildfire Act* including streamlined regulations;
- Continue to renegotiate agreements with utilities and develop new agreements with other sectors to increase cost-recovery for fire protection activities; and
- Implementing a fuel management strategy in wildland urban interface areas throughout B.C. by working with the Union of British Columbia Municipalities to heighten provincial awareness through the promotion of FireSmart programs and by assisting communities in developing strategies to identify and reduce the threat from wildfires. This includes the First Nations MPB Fuel Management Program which ensures that Crown provincial land within 2 km of First Nations communities is assessed and treated where required. The First Nations communities will use the First Nations' Emergency Services Society (FNESS) as their third-party delivery model for this program, as they are already familiar with the FNESS's Community Fire Life Safety Support program offered to First Nations.

Performance Indicator:

Per cent of wildfire contained at less than four hectares: This is a measure of the ministry's success rate of initial attack on wildfire that is unplanned, accidental or unwanted (i.e., has potential to cause damage to or loss of timber, range or public resources). If containment is kept to less than four hectares, damage and costs for fire suppression are kept to a minimum. The baseline for this measure was 93 per cent in 2002/03. Data are from the ministry's Historical Fires Statistics Database.

Performance Indicator	2004/05 Actual	2005/06 Estimated Actual	2006/07 Target	2007/08 Target	2008/09 Target
Per cent of wildfire contained at less than four hectares.	92.4%	92.3%	92%	92%	92%

Strategies for preventing and managing forest pests:

- Early detection and treatment of insect infestations other than Mountain Pine Beetle, including Gypsy Moth and other defoliators.
- Monitor and evaluate forest health status and implement best management practices in support of the timber supply review (TSR) and protection of the 11 resource values under the *Forest and Range Practices Act* (FRPA).
- Implement the Mountain Pine Beetle Action Plan, more fully described in Appendix 2. This includes:
  - — Maintaining and protecting public health, safety and infrastructure by reducing catastrophic wildfire risk to communities within beetle-affected areas;

— Controlling MPB infestations to prevent or reduce damage to forests in areas that are susceptible to but not yet experiencing epidemic infestations;
— Minimizing or eliminating the potential for infestation spread from Crown forests, including provincial parks, into Alberta, the boreal forest, or other high value parks and protected areas; and,
— Mitigating the impact on provincial parks and protected areas.

The Mountain Pine Beetle Action Plan also includes strategies to address the economic impact of the Mountain Pine Beetle on local communities. These strategies, along with the appropriate indicator, are described under the Ministry's second goal, Sustainable Forest and Range Benefits.

Additionally, the Mountain Pine Beetle Action Plan is supported by nine further performance measures related to the nine programs under the plan. These are included in Appendix 2, with more detailed descriptions of each of the programs, as part of the Province's commitment to report on the Mountain Pine Beetle Action Plan supported by $100 million in federal funding.

Performance Indicator:

The Ministry is investigating a potential new outcome-oriented performance measure to report on the extent of the Mountain Pine Beetle infestation, how it is being addressed through treatments and salvage logging, and the ultimate impact on sustainability of the forest resource.

This measure would track the successful reforestation of areas impacted by the beetle (and subsequently salvage logged, treated or left to reforest naturally). At this time there are decisions pending as to the scale and spatial location of some large scale salvage operations. The outcome of these decisions, and their interaction with the impact of Forests For Tomorrow program implementation, will influence the timing to accurately implement this measure. In the short term the ministry is using a measure of the extent of the highest priority areas treated, as described below.

Per cent of Mountain Pine Beetle Aggressive Emergency Management Units that achieve treatment targets: The Mountain Pine Beetle infestation continues to expand. By Fall 2005, the beetle has infested 8.5 million hectares. Detailed aerial and ground detection is used to map the spread of the beetle and to locate sites that present an opportunity to stop or reduce the rate of spread of the beetle. These areas lie within **Aggressive Emergency Management Units (AEMUs)** (previously called Suppression Beetle Management Units (SBMUs)) where new infestations are managed through targeted small-block harvesting, felling and burning, use of pheromone baits, or other methods.

Areas where beetle infestations are still active, but there are no opportunities to suppress the populations, are called **Containment EMUs (or Holding BMUs)**. These areas are being harvested via larger blocks to slow beetle spread.

Finally, where the beetle has killed extensive volumes of timber and where there is no reduction in rate of spread possible through harvesting; these areas are included in the **Salvage Zone**. Harvesting efforts in this zone have no impact on the beetle population and the objective of harvesting here is to recover as much timber value as possible.

The first two unit designations are enabled under section 109 of the Planning and Practices Regulation. In this regulation the Bark Beetle Coordinator may designate Emergency Management Units within the Emergency Bark Beetle Management Area to expedite harvesting for the purposes as indicated above.

The sizes of these three areas are estimated below and change each year, subject to the growth rate of the beetle population. Projections indicate that Salvage Zones and Containment EMUs will continue to grow for the next seven years.

MPB Attacked Areas	Estimated size of area of the Timber Harvesting Land Base infested in 2004/05
Aggressive Emergency Management Units (AEMUs)	150,490 ha
Containment EMUs (CEMUs)	646,596 ha
Salvage zones (SZs)	6.5 million ha

The Aggressive EMUs continue to be the focus of concerted effort under the Mountain Pine Beetle Action Plan, and the performance measure below has been selected to report progress on treatments in these units.

Targets for the per cent of the AEMUs to be treated through targeted small-block harvesting, felling and burning, pheromone baits, or other methods, are expected to remain high as these areas represent the best option to control the spread. Targets are established through the development of annual beetle strategies and the availability of funding. In 2004/05 only the area treated by MoFR directly (primarily parks and protected areas) was measured. A policy change in September 2004, led to the ministry being responsible for forest health on all Crown forest areas, and therefore the measure was changed in 2005/06 to report on all Crown forest areas treated under the Mountain Pine Beetle Action Plan. (Data source: aerial and ground surveys and treatment records).

Performance Indicator	2004/05 Actual	2005/06 Estimated Actual	2006/07 Target	2007/08 Target	2008/09 Target
Per cent of Mountain Pine Beetle Aggressive Emergency Management Units that achieve treatment targets.	N/A*	84%	80%	80%	80%

*This measure was introduced in 2005/06, and has been reworded for clarity.

Core Business Area: *Forest Stewardship.*

Objective 2: *An effective forest practices and policy framework.*

The forest practices and policy framework is managed to achieve government's goals through setting standards, developing and reviewing policies and legislation, and managing non-statutory information.

The ministry manages the risk to achieving this objective by working with professional associations, a minister's advisory council and through regular discussion with communities, the public and effective consultation with First Nations.

Strategies:

- Continue to jointly evaluate, improve, and manage the forest practices and planning framework based on best available science;
- Maintain *Forest and Range Practices Act* working relationships with agencies, licence holders, professional associations and other parties of interest; and
- Develop the non-statutory framework.

Achievement of this objective is measured internal to the ministry.

Objective 3: *Advice to decision-makers is guided by the principles of sustainability and best available science.*

Statutory decision-makers in MoFR and other agencies are supported by decision tools built from the best available science and analysis. These decisions include determination of Allowable Annual Cut, establishment of Visual Quality Objectives, identification of resource features and operational plan determinations. Achieving this objective depends on coordinated and cost-effective analysis and sound decision-making.

Strategies:

- Applying research and forest analysis to support policy development and statutory decision-making;
- Implement processes that ensure consistent and science based evaluations of plans (i.e., Forest Stewardship Plans) submitted for approval;
- Establish Visual Quality Objectives and identify resource features to ensure adequate protection; and
- Support the Chief Forester's Timber Supply Reviews as per schedule and in response to timber supply impacts from government decisions and the Mountain Pine Beetle epidemic.

Achievement of this objective is measured internal to the ministry.

Objective 4: *Forest resources are restored or improved.*

Restoring and improving forest resources is achieved through improving gene and seed resources, growing improved seedlings, reforestation and other silviculture activities. These activities are supported by quality inventory and data management, operational monitoring of forest practices and the outcomes of licensee strategies, maintenance of long-term environmental monitoring studies, testing of tree-seed parent characteristics, analyses of greenhouse gas emissions and carbon credits, measuring site productivity and predicting the growth and yield resulting from specific activities.

Many of these activities are undertaken collaboratively using multi-stakeholder committees and inter-agency partnerships. The level of funding available largely determines the extent that this objective can be achieved. Specific funding is allocated from the Forest Stand Management Fund, the South Moresby Forest Replacement Account, the Forest Investment Account, the Forests for Tomorrow Program, and the Mountain Pine Beetle Action Plan.

Strategies:

- Reintegrate the inventory program into Forest Service operations.
- Through the Forests for Tomorrow program, restore forest resources in areas affected by the Mountain Pine Beetle and fires.
- Further development, training and implementation of the provincial *Forest and Range Practices Act* Resource Evaluation and the Resource Stewardship Monitoring programs.
- Develop plans to meet multiple species seed and seedling requirements for reforestation under the Forests for Tomorrow program.
- Develop a new program to more proactively manage the risks of fire to achieving forest management goals, the use fire as a tool to achieve forest management goals, and to incorporate fire management goals into higher level plans.
- Work with the Ministry of Environment to further policy on carbon credits and climate change.

Performance Indicator:

The **ratio of area reforested to area harvested or lost to fire and pest** is a high level indicator of restoration of forest resources, and ultimately of sustainable forest productivity. A ratio of 1.0 indicates that areas being reforested are in balance with those being harvested or lost to fire and pests. A ratio of less than 1.0 reflects a trend towards increased Not Sufficiently Restocked (NSR) with more productive area being harvested or lost to fire and pest than reforested.

- **Area reforested** includes planting or natural regeneration and is net of plantation failures.
- **Area harvested** is the gross area harvested, which includes permanent removals of roads and landings from the landbase (as allowed under the *Forest and Range Practices Act*) as well as uncut reserves (as required under the *Forest and Range Practices Act*). In order to more accurately reflect the area being actively managed and to be consistent with the

Silviculture indicator used in the State of British Columbia's Forests Report, the ministry is considering changes to the indicator in future years to use the net rather than the gross area harvested.

- **Area lost to fire and pest** is unsalvageable and offers a viable reforestation opportunity. An area is not tallied as "lost to fire and pest" until it has been surveyed and deemed to present a viable reforestation opportunity.

The ratio uses data from the past five years, submitted by licensees and the ministry, to RESULTS (Reporting Silviculture Updates and Landstatus Tracking System). Data is submitted, according to legislated requirements, before June 1st each year for the previous year ending March 31st. The ministry's Annual Service Plan Report is finalized in May of each year. The timing of the legislated reporting requirements for industry and the ministry's Annual Service Plan Report are currently not aligned. Therefore the data produced in the Service Plan is currently always one year behind.

Transition to the new RESULTS information system has required substantial review and reformatting of data, contributing to not having accurate and complete data available in a timely manner. The ministry is making considerable efforts to complete the extra work required, and the data is expected to be fully up-to-date within the next two years.

In 2006/07 the FFT program focuses on strategy development, surveys and site preparation work for those areas not reforested under legislated requirements associated with salvage harvesting. Substantial amounts of planting do not begin until 2007/08, when the downward trend in the indicator is expected to be stopped. Given the one-year delay in data availability, the impact on the indicator is not expected to be observed until 2008/09.

Performance Indicator	2004/05 Actual	2005/06 Estimated Actual	2006/07 Projected	2007/08 Projected	2008/09 Projected
Ratio of area reforested to area harvested or lost to fire and pest. (unsalvageable losses)*	.80	Actual data not available until Sept. 2006. Projected at 0.80	.69	.59	.59

* Based on a five-year rolling average. Data reported is one year older than the year indicated.

Objective 5: *Forest practices are continuously improved and publicly reported.*

Public reporting on forest practices, program evaluations and the state of the forests can open dialogue with *Forest and Range Practices Act* inter-agency implementation teams, professionals, the public, and other stakeholder groups. This dialogue is a component to continuous improvement and innovation in forest management.

Strategies:

- Publicly communicate reports from field monitoring and effectiveness evaluations.
- Regularly evaluate and publish information on the state of the forests and results of major program initiatives.
- Continue to improve forest stewardship through dialogue with implementation teams, professionals, public, and other stakeholder groups.
- Support innovation in forest management.
- Improve currency and accuracy of key forest stewardship information.

The next component of the State of the Forests report will be published on the MoFR website in 2006. Results of the field-monitoring program will also be made available on the ministry's website as they become available.

Core Business Area: *Range Stewardship and Grazing.*

Objective 6: *Crown Range is healthy, sustainably managed, and allows for optimal use of crown forage through effective tenuring.*

In 2006/07 this objective focuses on protecting Crown range use and optimizing the use of Crown range resources through administration of rights for its use through the *Range Act*, agreements under FRPA and the *Land Act*.

Increasing public pressure on range resources for multiple uses is a risk to achieving this objective. The risk can be managed by working with other agencies on land use planning, evaluating current legislation and policy to assess effectiveness in protecting range resources values, education, extension, monitoring, and compliance and enforcement activities.

Strategies:

- Evaluate rangeland health and effectiveness of range management practices.
- Restore rangeland ecosystems degraded by forest ingrowth, forest encroachment and invasive plants.
- Education, extension and promotion of an understanding of rangeland management for multiple uses.
- Allocating, administering and managing range use.

Performance Indicator:

Per cent of available Crown range under a form of agreement: This measures the effectiveness of the ministry's allocation and administration of range available for grazing or hay-cutting and is based upon possible and actual range agreement areas. In the past this measure was based on Animal Unit Months, but the change to range agreement areas makes it more representative of the agreement tenuring process. Data are collected from the current records of forest district offices.

Performance Indicator	2004/05 Actual	2005/06 Estimated Actual	2006/07 Target	2007/08 Target	2008/09 Target
Per cent of available Crown range under a form of agreement.	91%	95%	95%	95%	95%

Core Business Area: *Compliance and Enforcement (C&E).*

Objective 7: *Compliance is promoted and statutory obligations are enforced.*

A compliance and enforcement regime for the *Forest and Range Practices Act* and a compliance and enforcement regime for pricing and revenue, will protect the province's forest and range resources and ensure British Columbians receive fair value from use of those resources, by upholding the law. Risks to achieving this objective are mitigated by having professional accountability for forest practices, a risk-based inspection regime, well-trained staff, effective legal counsel, and by working in partnership with other law enforcement agencies.

Strategies:

- Effective compliance and enforcement staff training and support.
- Applying Quality Assurance principles and procedures to verify government's (and in particular BC Timber Sales) compliance with its own statutory obligations, and to verify ministry compliance with its compliance and enforcement policies and procedures and the law.

Performance Indicator:

The **per cent of forest and range operators' compliance with statutory requirements that regulate forest practices** reflects forest and range operator's management decisions which are key to the outcome of sustainable forest resources. Information is from the ministry's Compliance Information Management System. The rate of compliance has consistently been in excess of 90 per cent, the 2001/02 baseline, for the past eight years.

Performance Indicator	2004/05 Actual	2005/06 Estimated Actual	2006/07 Projected	2007/08 Projected	2008/09 Projected
Per cent of forest and range operators' compliance with statutory requirements that regulate forest practices.	91.4%	96%	> 94%	> 94%	> 94%

Core Business Area: *Forest Investment Account.*

The high level objective of the Forest Investment Account (FIA) is to assist government in developing a globally recognized, sustainably managed forest industry.

Objective 8: *Sustainable forest management is fostered through incremental improvements to the public forest asset base.*

Fostering sustainable forest management is pursued through all of the FIA programs, but especially the Forest Science and Crown Land Use Planning programs. Investment dollars are directed to incremental activities on public land — enhanced forestry (stand establishment and treatment), watershed restoration and rehabilitation and resource inventories that support sustainable forest management and increase allowable annual cuts. Risks associated with achieving FI objectives and demonstrating value-for-money are effectively mitigated through third-party administration and audit agreements, program boards and councils, technical standards and oversight provided by the Forest Investment Council.

Strategies:

- Acquire better information about forest resources; foster comprehensive strategic land-use planning; facilitate science-based utilization of the resource.
- Reforest areas denuded naturally or by harvesting before 1987.
- Reclaim and enhance site productivity.
- Restore damaged ecosystems.
- Sound governance and effective and efficient delivery of forest investments through third-party administrators.

Assessing Performance:

Achievement of Forest Investment Account (FIA) objectives and strategies are accomplished through program activities carried out by licensees under the coordination of third-party administrators.

Assessment of outcomes and outputs is captured through annual reports generated by the third-party administrators. These reports can be found at:

- http://www.fialicensees.com
- http://www.for.gov.bc.ca/hcp/fia/small_tenures.htm and
- http://www.bcfsp.com/Login/login.asp

Goal 2: *Sustainable Forest and Range Benefits.*

Forestry generates substantial revenues to the provincial government yielding a significant net benefit to the broader public interest and remains a major contributor to B.C.'s current and future economic health. Sustainable forest and range benefits rely on a strong forest economy and a globally competitive forest sector, which the ministry supports through its forest revitalization policies. The ministry also recognizes the interests of First Nations in accessing forest and range benefits now and in the future.

Core Business Area: *Pricing and selling the timber.*

Objective 1: *Use of the AAC is optimized through effective tenuring.*

Forest tenures are used to allocate, manage and monitor forest resource opportunities to meet social, economic and other public forest policy objectives. A fair and effective tenure system ensures that timber apportioned in Timber Supply Areas is available to licensees. Achieving this objective may be impacted by delays in concluding First Nation consultation processes. The ministry addresses this risk through the First Nations Forest Strategy, which has the objective to increase First Nation participation in the forest sector, and includes negotiation of Forest and Range Agreements which document an agreed upon process for consultation and accommodation on forest management decisions.

The ministry is monitoring and managing potential delays in reallocating the volume taken back from forest licensees under the *Forestry Revitalization Act* and from the increase in new tenures from additional volume approved for cutting as part of the Mountain Pine Beetle salvage operations.

Strategies:

- Continue implementation of forest policy reform under the *Forestry Revitalization Act*; including providing new opportunities for First Nations, small tenure holders and communities, through Community Forest Agreements, woodlot licences and other small tenures.
- Effectively issue and administer an increased number of licences to salvage Mountain Pine Beetle affected timber.

Achievement of this objective is measured internal to the ministry.

Objective 2: *Fair market value for the use of the public forest and range resources.*

The ministry has a legislative responsibility to assert the financial interests of the government in its forest and range resources in a systematic and equitable manner. The ministry continually reviews and modifies revenue policies and procedures to ensure that fair value is received.

Strategies:

- Administer the Coast market-based pricing system (MPS), which was implemented on February 29, 2004.
- Implement the Interior market-based pricing system in 2006/07.
- Implement changes to Interior log grades on April 1, 2006.

Performance Indicator:

The **Crown forest and range gross revenue** is a measure of the value that the public receives from its forest and range resources. The total amount of revenue realized by the ministry and collected by government during the fiscal year includes BC Timber Sales, Timber Tenures, Range Use and other MoFR revenues.

During 2006/07, the U.S. housing market is expected to soften, resulting in lower prices for lumber and other forest products. With a continuing strong Canadian dollar, it is expected that stumpage revenues and harvest volumes will decline slightly for the next few years.

Performance Indicator	2004/05 Actual	2005/06 Estimated Actual	2006/07 Projected	2007/08 Projected	2008/09 Projected
Crown Forest and Range Gross Revenue ($ billions).	$1.322 B	$1.157 B	$1.073 B	$0.962 B	$0.919 B

(Revenue based on revised forecast of January 2006)

Objective 3: *Improved access to markets for B.C. forest products.*

This objective reflects the ministry's intent to maintain the traditional U.S. and Japanese markets and grow in international markets, such as Taiwan, China and Korea. The ongoing effort needed to address the softwood lumber dispute with the U.S. is being managed by the ministry and through partnerships with other ministries, the federal government and Forestry Innovation Investment Ltd.

Strategies:

- Continue to pursue free access for B.C. forest products to markets in the United States.
- Continue to work with Forestry Innovation Investment Ltd. on market access issues.
- Work cooperatively with other agencies and the forest industry to develop a shared vision for growth in value-added products, including encouraging a greater synergy between primary and secondary sectors, maintaining an investment climate conducive to growth and by investing in research, development and marketing that will support this growth.

Forestry Innovation Investment Ltd. (FII) is leading work to expand markets in the Asia-Pacific region. Overall success of this component of the objective is described in the separate Service Plans and Annual Service Plan Reports published for the FII.

Objective 4: *Long term economic stability is encouraged for communities affected by the Mountain Pine Beetle epidemic.*

This objective is supported by the development and implementation of strategic regional socio-economic adjustment plans for forest dependent communities and First Nations within the Mountain Pine Beetle affected areas. Implementation of this objective is through the Community Diversification and Stability program under the Mountain Pine Beetle Action Plan (further information in Appendix 2).

The best measure of this desired outcome would be one that relates the economic impact of the Mountain Pine Beetle to a local community, and then shows an economic recovery attributable to socio-economic adjustment planning. This would measure the effectiveness of government in supporting communities impacted by the Mountain Pine Beetle epidemic. Given the many different approaches to measuring socio-economic impacts, and the potential difficulties of attributing planning actions on the economic data, the ministry is still exploring the best way to measure these impacts. In the short term a target to measure the development of the socio-economic adjustment plans, is being developed as shown below.

Performance Indicator	2004/05 Actual	2005/06 Estimated Actual	2006/07 Projected	2007/08 Projected	2008/09 Projected
Percent of Mountain Pine Beetle impacted communities covered by a Mountain Pine Beetle socio-economic adjustment plan	N/A	N/A	To be determined	To be determined	To be determined

Objective 5: *A reliable and environmentally sound forest road network which balances industrial, commercial and public use in a cost effective manner reflecting the level of use and available funding.*

The intent of this objective is to provide the necessary infrastructure to access timber, range, communities, recreation, and other resource values while minimizing environmental impacts. Routine activities that contribute to achieving this objective include carrying out maintenance on Forest Service Roads (FSRs) in conformance with legislation and policies, replacing deteriorated priority Non-Industrial FSR bridges, and deactivating FSRs no longer required.

Achieving this objective is largely influenced by access to funding and resources to replace deteriorating bridges and undertake emergency and routine repairs. These high-cost activities are offset by the benefits of maintaining industrial and community access important to the

forest economy and British Columbians. In addition, the costs of mitigating environmental damage and re-establishing access are higher over time, when not addressed in the short term. The ministry received additional funding in 2004/05 and 2005/06 to address Bridge Replacement. This funding has mitigated aspects of this risk in the immediate term; however, over the longer term continued deterioration of FSR non-industrial bridges will continue to impact the ministry's performance in this area. Regardless, programs, policy and legislation will continue to be reviewed in 2006/07 for changes that will mitigate these impacts and/or reduce ministry costs and risk.

Strategies:

- Develop and implement a Resource Road Act to consolidate road construction, road use, maintenance and deactivation standards between all resource users and agencies;
- Support and participate in BC Forest Safety Council's "On the Road Safety and Action Plan to encourage safe drivers, safe trucks, safe resource roads and safe highways in the Forest Sector";
- Rationalize the provincial road network (Forest Service Roads (FSRs) and public roads/highways) between the Ministry of Forests and Range and the Ministry of Transportation;
- Balance the industrial, commercial and public use of the forest road network in a cost-effective manner reflecting the level of use and available funding — this may include deactivation and transfer to other agencies, organizations and ministries;
- Assess and where funding available incorporate the increases to the FSR network resulting from timber re-allocation, wildfire and Mountain Pine Beetle; and
- Improve access infrastructure related to AAC uplift areas due to the Mountain Pine Beetle infestation.

Performance Indicator:

Per cent of Recreational, Community and General Use Forest Service Road (FSR) kilometres maintained by the Ministry which are available for vehicle use: This measure, introduced in 2005/06, has been slightly re-worded for clarity in 2006/07. It is a measure of reliability of the non-industrial FSR network which serves communities and recreation sites, trails and areas, as well as rural residences and commercial operations. This non-industrial FSR network represents approximately 12,750 kilometres (*community use 820 km, general use 9180 km, recreation use 2750 km*). Kilometres of Forest Service Roads that are available for vehicle use, are those that are not closed for safety or environmental reasons (includes non-industrial bridge removal or closure). Industrial-use Forest Service roads are maintained by industrial users under Road Use Permits, and other industrial-use forest roads are maintained under Road Permits and Special Use Permits. FSRs assigned to BC Timber Sales are excluded from this measure. Information is reported by each district.

Performance Indicator	2004/05 Actual	2005/06 Estimated Actual	2006/07 Target	2007/08 Target	2008/09 Target
Per cent of Recreational, Community and General Use Forest Service Road (FSR) kilometres maintained by the ministry for vehicle access.	N/A*	95%	>94%	>91%	>87%

*Measure introduced in 2005/06, reworded in 2006/07.

Objective 6: *Increased First Nation opportunities for participation in the forest sector; stability on the land base; and forestry operations that respect First Nation interests on the land base.*

This objective supports the ministry's intent to provide leadership, negotiation skills, advice and overall coordination with respect to forest and range related issues in the New Relationship with First Nations. Achieving this objective will support government's objective to ensure Aboriginal communities share in the economic and social development of B.C. The MoFR seeks to work on the following strategies in an open, transparent and collaborative approach with First Nations.

Strategies:

1. Consult with First Nations in accordance with the Crown's legal obligations while developing relationships.
2. Negotiate agreements with First Nations:
   - The First Nations Forest Strategy (FNFS) offers First Nations access to economic forest and range benefits through Forest and Range Agreements (FRAs). Although this is a four-year program ending in 2006/07, the ministry will be working with the Ministry of Aboriginal Relations and Reconciliation to determine what changes the New Relationship will have on negotiating these agreements, as well as replacing existing FRAs which begin to expire in 2006/07.
   - Increase First Nations' participation in the Forest Sector through direct award tenures.
3. Support for priority treaty tables.

Performance Indicator:

Total number of Forest and Range Agreements: Forest and Range Agreements, provide a period of stability for forest and range resource development. They include the provision of economic benefits in the form of tenure and revenue sharing as well as consultative arrangements that define an agreed upon process between the ministry and a First Nation for consulting on and addressing aboriginal interests. The time required to conclude negotiations is variable. Offers to negotiate agreements will be made to all 176 eligible First Nations by the end of fiscal 2006/07. (Data source: tracked internally).

In 2006/07, agreements signed in previous years will begin to require replacement. The ministry will be internally tracking the replacement agreements as well as non-FRA accommodation agreements.

Performance Indicator	2004/05 Actual	2005/06 Estimated Actual	2006/07 Target	2007/08 Target[2]	2008/09 Target[2]
Total number (cumulative) of Forest and Range Agreements (FRA's) signed with First Nations.[1]	47	76	90	110	159

[1] Some FRA offers include more than one First Nation in the offer. The number of eligible First Nations to be offered agreements is 176. Although offers are made to all eligible First Nations, it is anticipated that not all offers will be accepted and agreements signed. A more accurate estimate of agreements expected to be signed cannot be determined at this time.

[2] Subject to changes resulting from the New Relationship with First Nations, discussions with the Ministry of Aboriginal Relations and Reconciliation, and provision of ongoing funding.

Core Business Area: *BC Timber Sales.*

BC Timber Sales is an arm's length program within the ministry, with operational and financial independence from regional and district operations. The program markets Crown timber to help establish market price (Coast only at this time) and capture the value of the asset for the public. The performance indicators included in this section are only a subset of the measures tracked and reported by BC Timber Sales. For full information on BC Timber Sales resources and measures refer to the BC Timber Sales Business Plan at: http://www.for.gov.bc.ca/bcts.

Objective 7: ***Using sound forest management, net revenue to the province is optimized and a credible reference point for costs and pricing of timber harvested from public land in B.C. is provided.***

Objective 8: ***Opportunities are provided for BCTS customers to purchase timber in an open and competitive market.***

These objectives support: market-based pricing to ensure that the public receives fair market value for the use of its forest resources; the generation of revenue to the Province and the ministry as a major contributor to B.C.'s current and future economic health; and a strong forest economy and competitive forest sector.

Achievement of both objectives may be impacted by uncertainty around impending changes to interior market pricing and lumber grades, which may in turn result in lower bids or reluctance to bid, adversely impacting revenues. Compounded with the continued harvest of lower quality timber from beetle-killed stands, BC Timber Sales is monitoring the impacts and consulting with planning and advisory groups to mitigate the risks.

Strategies:

- Implementing systems and processes to ensure that cost, pricing and operational resource data is complete, accurate, reliable, verifiable, and are seen as credible by others; and
- Working to ensuring a sufficient level of market transactions to support the market pricing system (e.g., negotiating operating areas and the purchase of required assets on lands re-assigned through the timber reallocation process).
- Containing costs and maximizing auction bids, within the parameters of the program's benchmarking mandate through innovative practices, continuous improvement and by implementing systems and processes to support effective decision-making, and reduce bidder risk; and,
- Implementing a systematic approach to, and continuous improvement of, environmental management systems and sustainable forest management in all Business Areas.
- Pursuing innovative methods to build timber development capacity and inventory levels;
- Eliminating restrictions and barriers to program participation over time; and
- Improving bidder information.
- Supporting the development of a SAFE Companies standard by the BC Forest Safety Council, which will allow forest sector companies to show by way of an independent audit that meet certain benchmark safety criteria. BC Timber Sales will also participate in the April 2006 pilot and subsequent implementation of this initiative.

Performance Indicator:

Per cent of total timber volume available auctioned by BCTS: Per cent of the total provincial ministry annual timber volume available that was auctioned by BC Timber Sales during the year. This is a key outcome indicator of the program's success in supporting the market based pricing system and being a credible reference point for costs and pricing, producing revenues and opportunities to purchase timber by auctioning an increasing proportion of the available provincial timber. The long-term goal is for BC Timber Sales to auction 20 per cent of provincial timber each year. (Data source: internal tracking and the ministry's apportionment system.)

Performance Indicator	2004/05 Actual	2005/06 Estimated Actual	2006/07 Target	2007/08 Target	2008/09 Target
Per cent of total volume available auctioned by BCTS	14%	15%	16%	18%	20%

Goal 3: *Highly Effective, Innovative and Responsive Organization.*

The ministry is continuing to revitalize itself with a new vision and revised mission and values statements that reflect the ministry's role as steward of the province's forest resources. The effectiveness in achieving our core purpose of ensuring that sustainable forest resources deliver sustainable forest and range benefits for the people of British Columbia is dependent upon expert and knowledgeable staff who will continue to be innovative, responsive and performance-focused. To this end the ministry is focusing on leadership development, being a learning organization and improving organizational wellness.

Additionally, under this goal the ministry oversees the effectiveness of third-party administrators who are responsible for the achievement of the Forest Investment Account (FIA) objectives and strategies.

Core Business Area: *Executive and Support Services.*

Objective 1: *An effective, innovative and responsive management framework and infrastructure that supports the achievement of ministry goals and objectives.*

This objective helps to ensure that the ministry becomes a more effective organization, which is strong, dynamic and adaptable, and focused on achieving its strategic goals.

The achievement of this objective involves excellence in the ongoing implementation and improvement of all standard organizational processes including: performance management, business process improvement, legislation and policy development and coordination, a risk

management framework, a Human Resource Strategy framework, a financial framework and services that ensures fiscal accountability and supports effective allocation of resources within the ministry, Information Technology which is aligned with business requirements and appropriate levels of governance and service, management of information holdings as per the *Freedom of Information and Protection of Privacy Act*, legal services, and the alignment and delivery of ministry facility, vehicle and equipment infrastructure necessary to meet program demands on a location by location basis.

Strategies:

- Ensure excellent service is provided to clients internal and external to the ministry, for each service outlined above.
- Fully implement the Road Ahead initiative that focuses on six strategies to build a high performing and learning organization that aligns business and people. The strategies address: (1) Mandate — vision, mission and values; (2) Stewardship; (3) Leadership Development; (4) Learning Organization; (5) Workforce Planning; and (6) Organizational Wellness.

The largest risk to the ministry achieving this objective relates to the ministry's ability to effectively recruit and retain qualified staff. The Road Ahead initiative is expected to effectively mitigate this risk, becoming the basis of the ministry's Human Resources Strategy over the next 3 to 5 years.

Performance Indicator:

Effectiveness of BC Forest Service as measured by a public survey: The indicator measures how effective the public believes the ministry is at protecting and managing the forest resource based on five variables (forest fire protection, control of pests and disease, reforestation, environmental protection, and regulating forest companies). These variables are combined for the single measure of overall effectiveness, which was 73 per cent in the 2002/03 survey. This is measured in a telephone survey conducted by BC Stats every two years.

Performance Indicator	2004/05 Actual	2005/06 Estimated Actual	2006/07 Projected	2007/08 Projected	2008/09 Projected
Per cent of British Columbians who believe the Forest Service effectively protects and manages our public forest resources	73%	Measured every second year	> 73%	Measured every second year	> 75%

Ministry Performance Plan Summary

Five Great Goals

Ministry Mission
To protect, manage and conserve forest and range values through a high performing organization.

Five Great Goals	Ministry Goals	Key Ministry Objectives	Performance Indicators
Lead the world in sustainable environmental management, with the best air and water quality, and the best fisheries management.	1. Sustainable Forest and Range Resources.	1. Wildfire and forest pests are prevented and managed.	1. Per cent of wildfire contained at <4 ha. 2. Per cent of Mountain Pine Beetle Aggressive Emergency Management Units that achieve treatment targets.
		2. An effective forest practices and policy framework.	Achievement measured internal to the ministry.
		3. Advice to decision makers is guided by the principles of sustainability and best available science.	Achievement measured internal to the ministry.
		4. Forest resources are restored or improved.	3. Ratio of area reforested to area harvested or lost to fire and pest.
		5. Forest practices are continuously improved and publicly reported.	Achievement measured internal to the ministry.
		6. Crown range is healthy, sustainably managed and allows for optimum use of Crown forage through effective tenuring.	4. Per cent of available Crown range under a form of agreement.
		7. Compliance is promoted and statutory obligations are enforced.	5. Per cent of forest operator's compliance with statutory requirements that regulate forest practices.
		8. Sustainable forest management is fostered through incremental improvements to the public forest asset base.	Assessment of outcomes and outputs is captured through annual reports generated by Forest Investment Account third-party administrators.

Ministry Mission
To protect, manage and conserve forest and range values through a high performing organization.

Five Great Goals	Ministry Goals	Key Ministry Objectives	Performance Indicators
Create more jobs per capita than anywhere else in Canada.	2. Sustainable Forest and Range Benefits.	1. Use of AAC is optimized through effective tenuring.	Achievement measured internal to the ministry
		2. Fair market value for the use of public forest and range resources.	6. Crown forest and range gross revenue.
		3. Improved access to markets for B.C. forest products.	Achievement measured internal to the ministry and by the Forestry Innovation Investment Crown Corporation for Asia-Pacific Markets.
		4. Long term economic stability is encouraged for communities affected by the Mountain Pine Beetle epidemic.	7. Per cent of Mountain Pine Beetle impacted communities covered by a MPB socio-economic adjustment plan.
		5. A reliable and environmentally sound forest road network.	8. Per cent of Recreational, Community and General Use Forest Service Road (FSR) kilometres maintained by the ministry which are available for vehicle use.
		6. Increased First Nation opportunities for participation in the forest sector; stability on the land base; and forestry operations that respect First Nation interests on the land base.	9. Total number of Forest and Range agreements signed with First Nations.
		7. Using sound forest management, net revenue to the province is optimized and a credible reference point for costs and pricing of timber harvested from public land in B.C. is provided.	10. Per cent of total volume available auctioned by BCTS.
		8. Opportunities are provided for BCTS customers to purchase timber in an open and competitive market.	
Lead the world in sustainable environmental management, with the best air and water quality, and the best fisheries management, and create more jobs per capita than anywhere else in Canada.	3. Highly effective, innovative and responsive organization.	1. An effective, innovative and responsive management framework and infrastructure that supports the achievement of ministry goals and objectives.	11. Per cent of British Columbians who feel the Forest Service effectively protects and manages our public forests.

Related Initiatives and Planning Processes

Regulatory Reform

The Ministry of Forests and Range will contribute to the goal of ensuring that the provincial regulatory framework maintains the reduction in the number of regulations achieved between 2001 and 2004. The Ministry of Forests and Range will continue to review legislation over the next three years to look for further regulatory reform opportunities while targeting a 0 per cent net increase in regulation through 2008/09. For example, the ministry will continue to refine legislation to ensure full implementation of both the results-based code (*Forest and Range Practices Act*) and the Forestry Revitalization Plan.

Information Resource Management Plan

The ministry Information Resource Management Plan overview is available on the ministry website at: http://www.for.gov.bc.ca/mof/irmpoverview/.

Citizen-Centred Service Delivery

A new government initiative, **Front Counter BC**, involves all the natural resource ministries (MAL/ILMB, MFR, MoE, MOT and MEMPR), and seeks to provide one point of contact for the public and clients in all 8 major regions in the province. This coordinated initiative should make it easier for the public to find the right land-based information more efficiently. The front counters are expected to be open for business by March 31, 2006.

Section B

Office of Housing and Construction Standards

Strategic Context

Vision, Mission and Values

Vision

British Columbians enjoy secure and affordable housing and safe buildings in which to live, work and play.

Mission

To provide leadership in meeting the building needs of British Columbians by:

- Promoting a range of housing choices;
- Developing regulations and promoting their application;
- Providing information regarding rights and responsibilities; and
- Providing mechanisms for resolving disputes.

Values

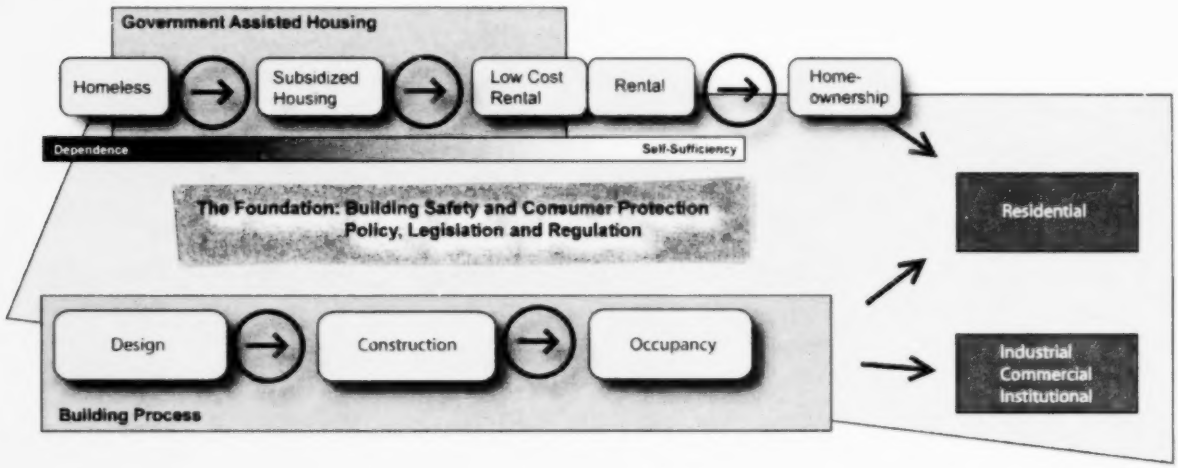
The Office of Housing and Construction Standards is an organization guided by the following values:

- We value the importance of housing as a home — the foundation on which to build a healthy life and a sustainable community.
- We value innovation and excellence in the work we do and are accountable to ourselves and ultimately to the citizens of British Columbia.
- We value strong working relationships built on open communication and shared understanding that inspires trust and confidence.
- We value integrated services and partnerships that optimize resources and improve the well-being of our clients and stakeholders.

- We proactively resolve conflicts in a neutral way, balancing the interests of our clients.
- We value the people we work with and the people we serve, respecting diversity and treating everyone fairly and with dignity.

Planning Context and Key Strategic Issues

Housing need and the provincial government's response can be viewed as a continuum. At one end are people who cannot house themselves without some form of government assistance. At the other end are people who can adequately house themselves in the private housing market. The continuum spans low to high-income, homelessness to home ownership, dependence to self-sufficiency.



Government housing assistance is strategically designed to promote movement towards self-sufficiency and homeownership. Underlying the continuum are foundational elements including the B.C. Building Code, B.C. Fire Code, *Safety Standards Act*, the *Homeowner Protection Act* and the *Residential Tenancy Act*. These governing elements contribute to consumer protection and the safety and stability of our housing.

The vast majority of British Columbians are housed successfully in B.C.'s private housing market. According to BC Stats, approximately 36 per cent of B.C. households are renters and 64 per cent are homeowners. Even with the rising cost of renting and homeownership in the province's larger urban centres, the private market is adequately meeting the housing need of approximately 85 per cent of B.C.'s population. For the remaining 15 per cent, however, housing need is very real, and the challenges to address that need are significant.

The province has fulfilled one of its key 05/06 Service Plan targets by developing a comprehensive Housing Strategy that will focus assistance to those most in need along the housing continuum — the homeless, vulnerable populations, Aboriginal groups and

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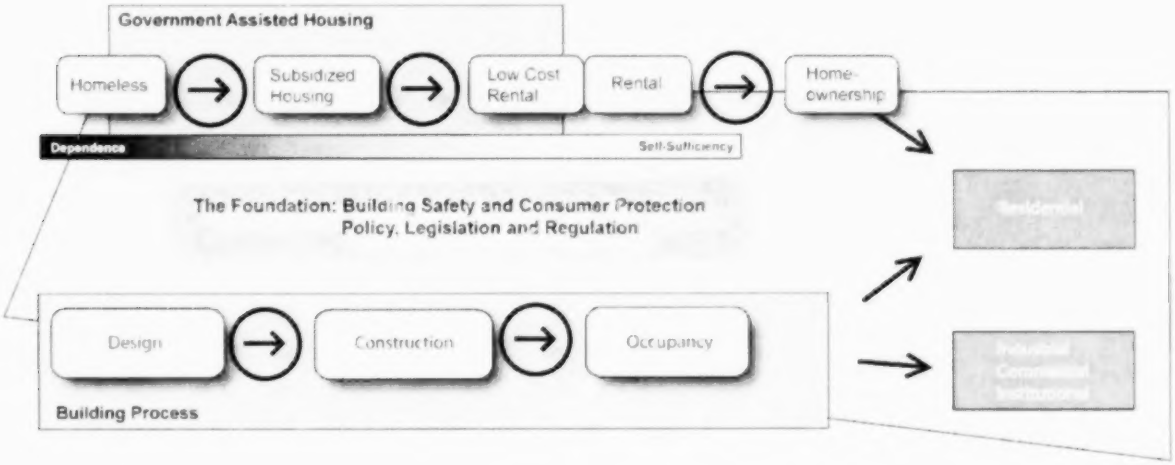

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The province has fulfilled one of its key 05/06 Service Plan targets by developing a comprehensive Housing Strategy that will focus assistance to those most in need along the housing continuum — the homeless, vulnerable populations, Aboriginal groups and

low-income households requiring better access to rental housing. In addition, the Strategy outlines government's plans to improve the foundational elements of the housing continuum including building safety modernization, improved professionalism in the residential construction sector and strengthened consumer protection for tenants and homebuyers. In working towards the realization of these goals, the province will build on productive, successful partnerships with federal and local governments, the private sector, non-profit societies, BC Housing, provincial ministries, local health authorities and a multitude of other stakeholders.

Housing Trends and Responses

B.C.'s current building boom, coupled with an aging workforce, is resulting in a shortage of skilled labour in the housing and construction sectors. This has an impact on the cost of construction, and ultimately housing affordability. These trends, coupled with rapidly changing technology and increased liability exposure, are creating major pressures in the environment regulated by the building regulatory system. Industry participants have expressed concern that the system is not responding effectively to these pressures or to participant needs.

According to the September 2005 RBC Financial Group's Housing Affordability Study, housing in some areas of B.C. is the most expensive in the country, and the gap between what people are earning and the cost of housing is growing. Greater Vancouver continues to have the highest prices and worst affordability index in Canada, with most housing types (particularly single family detached homes) out of reach for median income earners. In addition, recent net population migration to B.C. and strong employment growth is putting further pressure on housing market demand.

Very few new rental units are being built in the private market, and those that are do not fall into the affordable housing category. Canada Mortgage and Housing Corporation (CMHC) reports that only 934 purpose-built rental housing units were constructed in B.C. in 2004.

In recent years, homelessness has roughly doubled in urban areas such as Vancouver and Kelowna, despite increased spending on emergency shelters and transitional housing. The Greater Vancouver Regional District reported that homelessness counts increased from 1,049 in 2002 to 2,112 in 2005 — an increase of about 101 per cent. In Kelowna, homelessness counts increased from 160 in the spring of 2003 to 420 in the fall of 2005. Families and the "working poor" now constitute a visible part of the homeless population.

The province is addressing absolute homelessness through programs administered by BC Housing, which provides for 879 year-round emergency shelter beds and 391 additional beds during cold/wet weather months. In 2005 BC Housing assumed responsibility for the Emergency Shelter Program with the objective of improving the movement of shelter users to more permanent supportive housing. Under this program, transitional housing will be created for homeless individuals.

B.C. is nearing completion of a devolution agreement with the federal government that would see responsibility for administration of federal social housing transferred to the province. As a result, the Province will be able to re-align and re-develop social housing stock to achieve provincial housing objectives and to deliver housing programs more effectively and at a lower overall cost.

In addition, the Local Government Survey of 2003 highlighted a number of innovative practices among municipalities across B.C. With assistance from the province, new housing and planning tools are increasingly being used by local governments to help create affordable housing options for British Columbians — tools that recognize and encourage secondary suites, increased densities and housing affordability.

Demographic Trends and Responses

Canada and British Columbia's Aboriginal populations are growing relative to other demographic groups. 73 per cent of B.C.'s Aboriginal people live off-reserve. Over the last decade, the provincial government has funded Aboriginal housing societies to build approximately 500 new units of non-market housing. Nevertheless, core housing need among Aboriginal people remains higher both on and off-reserve in comparison to non-Aboriginal British Columbians.

At the November 2005 First Ministers' Meeting on Aboriginal Issues, the federal and provincial governments signed the Transformative Change Accord making the commitment to address the significant housing needs of Aboriginal British Columbians. Flexible federal-provincial funding arrangements will be developed following regionally-based discussions.

British Columbia's population continues to age. The number of senior-led households is expected to increase by over 60 per cent from 246,000 in 2001 to 397,418 by 2021[2]. Demographic trends point to a growing seniors population with fixed incomes and a need for housing supports. Seniors are predicted to make up 23.5 per cent of B.C.'s population in 2031, compared to 13.2 per cent in 2001.

The province recently doubled funding for senior rental subsidies through the SAFER program, and is committed to increasing funding for this benefit as the number of seniors in B.C. increase.

Many seniors live in rental accommodation where hospitality and personal care services are provided by the landlord. The Office will introduce legislation to address the specific consumer protection needs of landlords and tenants of assisted living and supportive housing tenancies.

[2] Source: BC Stats, Ministry of Labour and Citizens' Services.

The Economy and Technological Advances

Regulatory reform is a global trend that is shaping how government interacts with the construction industry and other building and safety stakeholders. British Columbia continues to introduce outcomes-based and risk-assessed regulatory approaches for safety technologies. These approaches have been shown to encourage economic growth while maintaining safety standards in the built environment. The next edition of the B.C. Building Code, expected in 2006, will be adopted in an objective-based code format. By stating the rationale behind each provision, the code will facilitate greater innovation and flexibility.

Economic competitiveness and the growth of new technologies are creating opportunities for jurisdictions across Canada and the world to work with industry in harmonizing safety regulation while promoting research, development and marketing of new applications. As an example, British Columbia is benefiting from the expertise of its successful fuel cell industry and providing leadership over the next several years in "smart regulation" development related to hydrogen fuel applications.

Core Business Areas

1. Housing

This core business area is represented by the Housing Policy Branch. This Branch provides policy advice to government on ways to address housing need along the housing continuum from homelessness to homeownership. The Branch's role is to identify the strategic points along the housing continuum where government support can assist British Columbians to meet their housing needs and to develop appropriate programs and policies for them. Working closely with BC Housing and social development ministries, special attention is paid to the area of most acute need found among low income British Columbians who have special housing and support needs.

To support government's efforts to help those most in need of housing and support, a new Provincial Housing Strategy will be unveiled in the upcoming year. The Strategy is a comprehensive blueprint for improving the range of housing choices available for British Columbians and will enhance the safety and stability of B.C.'s housing system. The initiatives contained in the Strategy match the level of assistance to the degree of need, they are practical, and they represent a measured response to B.C.'s housing realities. The Strategy also positions B.C. to capitalize on the federal government's renewed interest in housing.

The Branch also provides support and guidance to the Homeowner Protection Office (HPO) in its efforts to improve the quality of residential construction and increase homeowner protection in British Columbia.

2. Building and Safety Policy

Two branches, the Safety Policy and Liaison Branch and the Building Policy Branch, are responsible for the building and safety policy core business.

Maintaining and improving public safety and reducing loss of life, injury and property damage is of paramount importance to government. The Safety Policy and Liaison Branch provides policy and regulatory advice in the areas of electrical, gas, elevating devices, boiler and pressure vessel products and systems, ski lifts, amusement rides and provincial railways. As well, this Branch manages administrative agreements with delegated authorities under the *Safety Standards Act*.

The Building Policy Branch provides policy advice concerning British Columbia's building regulatory system to improve building safety in the province and to manage existing and emerging technical and building policy issues. In line with the branch's responsibility for the B.C. Building Code and the B.C. Fire Code, branch activity focuses on the development and maintenance of building regulations, as well as providing support to industry participants. The Office also acts as the secretariat to the B.C. Building Code Appeal Board.

Over the coming year, the Office of Housing and Construction Standards will proceed with an initiative to modernize the system that supports building design, construction and occupancy safety. The upcoming introduction of the next edition of the B.C. Building Code also provides an opportunity for sector participants to refresh their knowledge of the Code.

3. Residential Tenancy Office

Approximately 36 per cent of households in B.C. rent their homes. The third core business within the Office of Housing and Construction Standards, the Residential Tenancy Office, works to promote a positive relationship between landlords and tenants by providing both groups with information on their rights and responsibilities under the *Residential Tenancy Act* and the *Manufactured Home Park Tenancy Act*. The Office also assists landlords and tenants to resolve concerns by providing dispute resolution services including arbitrations. The Office operates in Burnaby, Victoria and Kelowna.

Presently, assisted living and supportive housing rental accommodation is not covered by legislation to protect the interests of residents and operators. Residents are often vulnerable due to age, disability or health problems. Residents and operators of this type of accommodation have no mechanism to settle disputes except through the courts, which is impractical and costly. In 2006/07 the Office will introduce a new dispute resolution mechanism for these residents.

Legislative Framework

The Office of Housing and Construction Standards has responsibility for the following legislation:

- *Building Officials' Association Act*
- *Commercial Tenancy Act*
- *Community Charter* (Part of) s. 9 (1) (d)
- *Fire Services Act* (Part of) s. 47 (2) (g) (h)
- *Homeowner Protection Act*
- *Local Government Act* (Part of) s. 692, 693
- *Manufactured Home Park Tenancy Act*
- *Ministry of Lands, Parks and Housing Act* (s. 5, 8.1 and 10)
- *Railway Safety Act*
- *Railway Act* (s. 14 – 25)
- *Rent Distress Act*
- *Residential Tenancy Act*
- *Safety Standards Act*
- *Safety Authority Act*
- *Shelter Aid for Elderly Renters Act*

Resource Summary

Core Business Areas	2005/06 Restated Estimates[1]	2006/07 Estimates	2007/08 Plan	2008/09 Plan
Operating Expenses ($000)				
Housing	200,631	202,023	215,182	222,382
Building and Safety Policy	1,555	1,762	1,762	1,762
Residential Tenancy Office	5,612	5,917	5,918	5,918
Total	**207,798**	**209,702**	**222,862**	**230,062**
Full-time Equivalents (FTEs)				
Housing	22	24	24	24
Building and Safety Policy	20	20	20	20
Residential Tenancy Office	54	59	59	59
Total	**96**	**103**	**103**	**103**
Ministry Capital Expenditures (Consolidated Revenue Fund) ($000)				
Housing	56	67	67	67
Building and Safety Policy	—	—	—	—
Residential Tenancy Office	500	54	54	54
Total	**556**	**121**	**121**	**121**

[1] These amounts have been restated, for comparative purposes only, to be consistent with the presentation of the 2006/07 *Estimates*. Schedule A of the 2006/07 *Estimates* presents a detailed reconciliation.

Goals, Objectives, Strategies and Results

Overview

The goals, objectives, strategies and results of Office of Housing and Construction Standards initiatives support government's Five Great Goals by establishing a solid foundation for healthy living and supports for persons with disabilities, special needs and seniors.

Ministry Goals

The goals of the Office of Housing and Construction Standards are:

- **Safety is achieved in the built environment**, through establishing codes and standards, and monitoring to ensure compliance and efficacy.
- **Housing and support services are targeted to those most in need**, through allocating provincial resources to projects that further the integration of those services.
- **Low and moderate income households have an expanded range of housing options**, through providing access to local governments and community groups to planning tools and materials that promote a broad range of housing options.
- **Balanced landlord and tenant rights and responsibilities**, through a regulatory framework that promotes balance and through systems that ensure that all clients have improved service quality through timely assistance in avoiding or resolving disputes.

Linkage to the Five Great Goals

To help build the best system of support in Canada for persons with disabilities, special needs, children at risk and seniors, the Office of Housing and Construction Standards is:

- developing and implementing Provincial Housing Strategy including:
  - — delivering the province's commitments on housing for British Columbians with low-income and/or special needs;
  - — acquiring responsibility of federal housing stock, and retargeting to priority households;
  - — implementing Phase II of Independent Living BC, a program to increase independence of seniors with health concerns;
  - — improving the integration of emergency shelters and transitional housing;
- continuing to deliver transitional housing under the auspices of the Premier's Task Force on Homelessness, Mental Illness and Addictions; and
- promoting accessibility for persons with disabilities through B.C. Building Code provisions that apply to new construction.

Cross Ministry Initiatives

Through the provision of emergency shelters, subsidized housing, residential tenancy services, and building safety regulation, the Office of Housing and Construction Standards contributes to many cross ministry initiatives and themes:

- **Children's Agenda:** The Children's Agenda is a broad multi-sectoral strategy to improve the well-being of children. The Office of Housing and Construction Standards is building and supporting the capacity of vulnerable families to achieve self-sufficiency through stable housing.
- **First Nations:** Government is promoting self-sufficiency for First Nations by transferring Aboriginal social housing to the Aboriginal Housing Management Association. BC Housing is working with the Association to continue building its organizational capacity.
- **Crystal Meth:** Housing provides the foundation from which mental health and addiction services can be provided. Office of Housing and Construction Standards policies and programs promote self-sufficiency for persons with mental health or addiction issues.
- **Olympics:** The Inner-city Inclusive Olympics Housing Task Group has been formed to address housing issues leading up to the 2010 Olympic Winter Games in Vancouver. This task group is working to protect rental housing stock, to increase options for temporary accommodations, to ensure people are not made homeless, displaced or evicted as a result of the Olympics, and to provide an Olympic affordable housing legacy.
- **Regulatory Reform:** The next edition of the B.C. Building and Fire Codes will be published in an objective-based code format. For the first time, the documents will include the rationale behind each provision. This promotes consistent application, and increases opportunities for innovation.

Goals, Objectives and Performance Measures

Goal 1: *Safety is achieved in the built environment.*

Core Business Area: *Building and Safety Policy.*

Safety is achieved in the design, construction and occupancy of buildings through the interplay of technical codes and standards. These standards, which are set by government, together with the good practices that are employed by building owners and their agents responsible for various stages of a building's lifespan, contribute to ensuring that safety is achieved.

Objective 1.1: *Relevant and responsive codes, standards and regulatory systems in place.*

The Office of Housing and Construction Standards is responsible for the adoption of various codes and standards relating to the system by which building safety is achieved.

Strategies:

- Strategies include the adoption of B.C. Building and Fire Codes in an objective-based code format in 2006, and monitoring enforcement of the codes and standards for specific technologies within buildings.
- Through administrative agreements, the BC Safety Authority and ten local governments are delegated responsibility for compliance monitoring under the *Safety Standards Act* in safety areas such as electrical, gas, boiler and elevating devices. Municipalities are authorized to enforce the B.C. Building and Fire Codes under the *Local Government Act* and the *Fire Services Act*. If monitoring shows that the compliance is weak in any area, the Office will work with enforcement agencies and industry to develop and implement strategies to improve compliance. Education and training initiatives are one such strategy.

Performance Measures

Performance Measures	Benchmark	2006/07 Target	2007/08 Target	2008/09 Target
Safety index to be established and safety trends maintained or improved*.	Baseline model complete	Establish safety index*	Maintain or improve safety trend	Maintain or improve safety trend
B.C. Building Code and B.C. Fire Code adopted in an objective-based format.	N/A	Codes Adopted (new date)	N/A	N/A

*Trends to be reported in the State of Safety Report to be published by the BC Safety Authority.

1.1.1. Safety index to be established and safety trends by sector are maintained or improved: The BC Safety Authority, through an administrative agreement with the Province, is charged with maintaining or improving safety outcomes. This measure assesses the performance of the province's technical safety framework in achieving acceptable public safety outcomes.

1.1.2. B.C. Building and Fire Code[3] adopted in an objective-based format: The new codes will enhance the ability of the construction industry to adopt innovative building techniques while achieving the same level of safety. The target adoption date has been reset, to reflect delays in the availability of the model National Building Code of Canada, model National

[3] The B.C. Building Code and B.C. Fire Code are adopted by Minister's Order as a regulation to the *Local Government Act* and *Fire Services Act*.

Plumbing Code of Canada and the model National Fire Code of Canada, on which the British Columbia Building and Fire Codes are based.

Over time, the Office of Housing and Construction Standards will develop strategies and performance measures to gauge the effectiveness of the B.C. Building Code and the B.C. Fire Code.

Objective 1.2: *B.C. homeowners are protected.*

Safety can be judged by the lack of building failure. Building failure can be determined by the number of claims made under warranty programs. The Homeowner Protection Office, which reports to the Minister Responsible for Housing, requires residential builders to be licensed and monitors the performance of the mandatory third-party home warranty insurance system for new home construction and building envelope renovations.

Strategy:

- The key strategy in support of this objective is to monitor the number of claims made under home warranty programs, and, if the number of claims is greater than acceptable levels, to work with industry on measures to improve the quality of construction.

Performance Measures

Performance Measure	Benchmark	2006/07 Target	2007/08 Target	2008/09 Target
Home warranty claims within industry norms	4% or less homes with claims	3% or less with claims	3% or less with claims	3% or less with claims

*Data Source: Homeowner Protection Office

1.2.1. Home warranty claims within industry norms: This performance measure gauges the level of safety of buildings through the lack of claims or complaints. Industry norms are well documented. Targets have been set to reflect the fact that claims are made for a variety of reasons, including faulty products and poor building practices.

Goal 2: *Housing and support services are targeted to those most in need.*

Core Business Area: *Housing.*

Effective integration of housing services, supports and resources is required to improve the graduated independence of people along the housing continuum from temporary shelters — to transitional housing — to supportive or permanent housing.

Recent research indicates that the most effective approach to addressing homelessness is the "continuum of care" model. The model emphasizes the delivery of housing with integrated support services. Benefits are not only better health and personal outcomes for homeless people but also avoidance of higher cost institutional services (i.e., hospitals, emergency health services and correctional facilities).

With the shift to giving B.C.'s most vulnerable citizens priority access to social housing, linking housing with other social supports has become increasingly important. This shift will require clearly defined roles and responsibilities as well as new working relationships among the partners supporting vulnerable social housing tenants. Partnership strategies and initiatives are key to ensuring the availability of appropriate programs and services.

Objective 2.1: *Individuals in need have access to emergency shelter.*

Homelessness is a serious issue faced by some British Columbians. As a first step in addressing the needs of the homeless, government provides emergency shelter bed funding to community agencies to assist individuals who are temporarily without accommodation. Funding provides for year-round beds and is enhanced during the winter months when additional beds are needed most.

The economic and social cost of homelessness to Canadian communities is extremely high. Recent research in British Columbia estimates the cost of homelessness at $30,000 to $40,000/person for one year.[4] The IBI Group estimates that the societal cost of homelessness in Canada is approximately $1.4 billion per year.[5] The greatest expenditures are in health care, criminal justice, social services and shelters. Ensuring that vulnerable populations have access to secure housing and support services at an early stage reduces the demand and costs on institutional and emergency support systems.

By improving the ability of people to move from shelters into transitional housing and on to more permanent and supportive housing, the emphasis shifts away from providing greater numbers of temporary shelter beds.

Strategies:

Strategies to meet this objective include building new transitional and supportive housing with integrated support services for the homeless, and introducing outreach teams to work with the homeless as part of a three year pilot.

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[4] Eberle, Margaret, Deborah Kraus, Steve Pomeroy, and David Hulchanski. 2001. *Homelessness: Causes and Effects. Volume 3. The Costs of Homelessness in British Columbia*. Victoria: Ministry of Social Development and Economic Security.

[5] IBI Group. 2003. "Societal Cost of Homelessness". Prepared for the Edmonton Joint Planning Committee on Housing and the Calgary Homelessness Foundation.

Performance Measure

Performance Measure	Benchmark	2006/07 Target	2007/08 Target	2008/09 Target
Percentage of nights where shelters at full capacity*	New measure	Baseline established	TBD	TBD

*Data source: BC Housing.

2.1.1. Percentage of nights where shelters are at full capacity: Measuring success in alleviating homelessness is difficult because of the transient nature of the population, the complexity of the problem, and the privacy considerations and access to information issues that arise from collecting the data. The measure allows government to track emergency shelter bed usage and to ensure that resources are allocated where they are needed most by recording the number of nights where emergency shelter beds are at full capacity. The measure is a comparison between the number of nights where emergency shelter beds are fully occupied and the total number of nights these beds are available.

Since BC Housing has recently assumed responsibility for this program and historical data are limited, a baseline for this measure will be established in 2006/07 and specific targets will be reported in the 2007/08 service plan.

Objective 2.2: *Housing and support services targeted to priority groups.*

The most acute need for housing is found among low income people who have special housing and support needs. Included in this group are people with mental or physical disabilities, seniors with special needs, the homeless or those at risk of homelessness and individuals or families who have experienced domestic violence. Government's response to this group is not limited to housing, but also to providing health and other social supports. This group is often referred to as "the most vulnerable".[6] Research indicates that by providing adequate, stable and affordable housing to the most vulnerable, government can avoid costs in health care and other social service areas.[7]

Strategies:

Strategies to meet this objective include the completion of a devolution agreement and the harmonization of federal and provincial policies for the social housing stock, continuing to build new units, conversion of existing subsidized housing or provision of rent supplements

[6] The **"Most Vulnerable"** are defined as those individuals who have a low income and a special housing need that inhibits their ability to find appropriate housing in the private market. A **special housing need** refers to the requirement for accessibility modifications or provincially funded support services in order to live independently in the community.

[7] Eberle, Margaret, Deborah Kraus, Steve Pomeroy, and David Hulchanski. 2001. *Homelessness: Causes and Effects. Volume 3. The Costs of Homelessness in British Columbia*. Victoria: Ministry of Social Development and Economic Security.

for low income households with special needs including Phase II of the Independent Living BC program.

Performance Measures

Performance Measures*	Benchmark	2006/07 Target	2007/08 Target	2008/09 Target
Percentage of assisted clients belonging to priority groups.	80%	84%	86%	88%
Number of units/beds created or adapted for priority clients.	1,250 units/ beds created	240 adapted 1,997 created	265 adapted 984 created	290 adapted 610 created

*Data source: BC Housing.

2.2.1. Percentage of assisted clients belonging to priority groups: Current priority groups include seniors with special support needs, persons with physical or mental disabilities, and individuals who are homeless or at risk of becoming homeless, including women with their children who have experienced domestic violence. The target reflects the number of households currently living in social housing or receiving assistance in the private market that come from one of the designated priority groups and who face a combination of challenges in addition to low income. The percentage of households assisted from one of the designated priority groups will continue to increase as existing units turn over and new units reach completion.

2.2.2. Number of units/beds created or adapted for priority clients: This measure reflects the number of new units or beds expected to be added throughout the housing continuum as well as existing units within the social housing portfolio that have been adapted or retargeted to serve a higher priority group.

Objective 2.3: *Senior renters receiving assistance in order to maintain independence.*

To account for the large variations in rent in different parts of the province, Shelter Aid For Elderly Renters (SAFER) program rent ceilings have been updated to reflect the costs of homes available for rent to low income households. Updated rent ceilings raise the average benefit levels for many seniors, significantly increase the number of eligible seniors, improve fairness, and help to improve the system of support for seniors. Because manufactured homes are a viable and affordable housing option for many seniors, the SAFER program has been expanded so that rents paid for manufactured home sites are also eligible for assistance. As a result of these enhancements, annual provincial government funding for SAFER benefits has approximately doubled.

Strategies:

Strategies in support of this objective include providing rent assistance in the private market, providing those in need with access to social housing, and providing access to housing and supports through Independent Living BC.

Performance Measure

Performance Measures*	Benchmark	2006/07 Target	2007/08 Target	2008/09 Target
Number of senior households assisted through housing programs*.	Baseline 05/06 — New Measure	53,100	53,700	53,840

*Data source: BC Housing.

2.2.3. Number of senior households assisted through housing programs: This measure reflects the province's commitment to meeting the needs of seniors with low incomes and seniors with special support needs by reporting on the number of senior households assisted through the Shelter Aid For Elderly Renters Program (SAFER), Independent Living BC (ILBC), and social housing.

Goal 3: *Low and moderate income households have an expanded range of housing options.*

Affordable rental housing in the private market is becoming increasingly scarce, particularly in Greater Vancouver and Victoria. The Vancouver CMA[8] vacancy rate is 1.4 per cent with Victoria's CMA vacancy rate even lower at 0.5 per cent.[9] This is due primarily to the lack of new affordable housing supply, coupled with a booming economy and an in-migration of workers.

There is minimal construction and investment in affordable rental housing in the private market and those units being added are in the higher rent ranges. Evidence suggests that in spite of the high levels of demand, market rent levels are below the levels required to generate a reasonable return on investment for new construction.

On the other hand, investor-owned condominiums and secondary suites in new and existing homes provide opportunities for expanding the supply of available housing. Over the past few years, the province has worked closely with local governments to promote the development of affordable market rental housing and permissive secondary suite bylaws. This work will continue.

[8] CMA = Census Metropolitan Area.

[9] CMHC Rental Market Report, B.C. Highlights October 2005 Survey.

Objective 3.1: ***Local governments have access to information and planning tools to achieve their goals with respect to affordable housing options in their communities.***

The provincial government's ability to impact market housing affordability is limited. Local governments are best placed to improve the affordability of market housing through innovative planning and development practices. The province is committed to improving the flow of information on best practices in this area.

As part of an educational strategy, the Office is working with local governments and industry stakeholders to develop and deliver customized workshops on improving market housing affordability. Best practices, case examples, and break-out sessions allow participants to delve more deeply into what has worked in other communities.

Since 1996, the province has surveyed all local governments every three years to measure the use of planning tools that promote housing affordability. The results of the survey are summarized and published, and are useful to local governments in describing their individual advances in planning for housing affordability.

Strategies:

Strategies to meet this objective include providing resources, research and expertise on market housing affordability for local governments, providing legislative and regulatory development to limit regulatory impediments in the housing market, and surveying local governments to determine the use of planning tools provided.

Tools, guides and workshops are being developed in partnership with local governments, non-profit housing providers and industry to enhance affordability and increase housing options. Planning guides assist with addressing a number of housing issues: secondary suite programs, community planning initiatives, design guidelines, financial incentives and land use planning and zoning tools. Legislation has been introduced to allow developers access to purchasers' deposit monies if those monies are appropriately insured. By lowering development costs, it is expected that the consumer will benefit.

Performance Measure

Performance Measure	Benchmark	2006/07 Target	2007/08 Target	2007/08 Target
Percentage of local governments in communities over 100,000 that apply affordable housing planning tools and techniques*.	69.9%	75%	N/A*	N/A*

*Survey completed every three years.

3.1.1. Percentage of local governments in communities over 100,000 that apply affordable housing planning tools and techniques: Use of these tools indicates local governments are enhancing their capacity and moving toward the goal of improved affordability.

Goal 4: *Balanced landlord and tenant rights and responsibilities.*

Core Business Area: *Residential Tenancy Office.*

The Office strives to support a balance between landlords and tenants with respect to their rights and responsibilities under the *Residential Tenancy Act* and the *Manufactured Home Park Tenancy Act*. The Residential Tenancy Office (RTO) provides landlords and tenants with information about their rights and responsibilities, and dispute resolution services, including arbitration.

At present there are limited consumer protections and dispute resolution services available for landlords and tenants in assisted living and supportive housing tenancies. These tenants are particularly vulnerable, and may have difficulty with the formal and adversarial arbitration system used by landlords and tenants in the traditional rental market to resolve disputes. Mediation and other forms of alternative dispute resolution may, in many circumstances, provide a better resolution for both parties than the formal arbitration process.

Clients contact the RTO approximately 120,000 times per year by telephone, fax, e-mail or by an in person visit to one of its three offices. In addition, the RTO conducts approximately 18,000 arbitrations annually. With such a high demand, the RTO must provide efficient, cost-effective services. It must also ensure that times for completing arbitrations are within time limits set by legislation. Landlords and tenants want convenient access to high quality services responsive to their needs.

Objective 4.1: *Consumer protection in place for assisted living and supportive housing landlords and tenants.*

Strategies:

The Office will develop appropriate consumer protection and dispute resolution models that address the special circumstances of these vulnerable tenants and their landlords.

Amendments to the *Residential Tenancy Act* to address the specific consumer protection needs of landlords and tenants of assisted living and supportive housing tenancies will be introduced in 2006/07. The RTO will provide a range of services, appropriate to their needs and abilities, to help these landlords and tenants resolve disputes.

Performance Measure

Performance Measure	Benchmark	2006/07 Target	2007/08 Target	2008/09 Target
Legislation in place to extend protection to landlords and tenants in assisted living and supportive housing arrangements.	New measure	Introduce amendments to legislation	N/A	N/A

Data Source: Residential Tenancy Office System.

4.1.1. Legislation in place to extend protection to landlords and tenants in assisted living and supportive housing relationships: In the coming year the Office will introduce legislation amendments which are specific to assisted living and supportive housing tenancies. Subsequent to the approval and implementation of the legislation, an outcome-based performance measure to assess results will be developed.

Objective 4.2: *Landlord and tenant disputes are avoided or resolved in a timely manner.*

An effective residential tenancy system means that landlords and tenants are provided with timely information about their rights and responsibilities to help them resolve disputes on their own, and that disputes are arbitrated if needed. With improved access to information, the parties are more likely to resolve disputes among themselves, thereby reducing demand on the arbitration system.

Strategies:

Strategies to meet this objective include improving the quality of information materials; quicker response to requests for information; full implementation of the case management system, including web application for arbitration for major landlords; and restructuring the arbitration process and procedures to reduce wait times.

Performance Measures

Performance Measure	Benchmark	2006/07 Target	2007/08 Target	2008/09 Target
Percentage of residential tenancy arbitrations scheduled to take place within six weeks or less. *	92%	92%	93%	94%

Data Source: Residential Tenancy Office System.

4.2.1. Percentage of residential tenancy arbitrations scheduled to take place within six weeks or less: This measure reflects the ability of government to meet the statutory time limits for arbitration. The more quickly disputes are resolved, the better the rental market can function.

Performance Plan Summary

Five Great Goals

Office of Housing and Construction Standards

Mission: To provide leadership in meeting the building needs of British Columbians by:

- promoting a range of housing choices;
- developing regulations and promoting their application;
- providing information regarding rights and responsibilities; and,
- providing mechanisms for resolving disputes.

Five Great Goals	Office Goals	Office Objectives	Performance Measures /Indicators
Build the best system of support in Canada for persons with disabilities, special needs, children at risk, and seniors.	Safety is achieved in the built environment.	Relevant and responsive codes, standards and regulatory systems in place.	Safety index to be established and safety trends maintained or improved.
			B.C. Building Code and B.C. Fire Code adopted in an objective-based format.
		B.C. homeowners are protected.	Home warranty claims within industry norms.
	Housing and support services are targeted to those most in need.	Individuals in need have access to emergency shelter.	Percentage of nights where shelters are at full capacity.
		Housing and support services targeted to priority groups.	Percentage of assisted clients belonging to priority groups. Number of units/beds created or adapted for priority clients.
		Senior renters receive assistance in order to maintain independence.	Number of senior households assisted through housing programs.
	Low and moderate income households have an expanded range of housing options.	Local governments have access to information and planning tools to achieve their goals with respect to affordable housing options in their communities.	Percentage of local governments in communities over 100,000 that apply affordable housing planning tools and techniques.
	Balanced landlord and tenant rights and responsibilities.	Consumer protection legislation in place for assisted living and supportive housing landlords and tenants.	Legislation in place to extend protection to landlords and tenants in assisted living and supporting housing arrangements.
		Landlord and tenant disputes are avoided or resolved in a timely manner.	Percentage of residential tenancy arbitrations scheduled to take place within six weeks.

Performance Plan Summary

Five Great Goals

Office of Housing and Construction Standards

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Office Goals	Office Objectives	Performance Measures /Indicators
Build the best system of support in Canada for persons with disabilities, special needs, children at risk, and seniors.		
Safety is achieved in the built environment.	Relevant and responsive codes, standards and regulatory systems in place.	Safety index to be established and safety trends maintained or improved.
		B.C. Building Code and B.C. Fire Code adopted in an objective-based format.
	B.C. homeowners are protected.	Home warranty claims within industry norms.
Housing and support services are targeted to those most in need.	Individuals in need have access to emergency shelter.	Percentage of nights where shelters are at full capacity.
	Housing and support services targeted to priority groups.	Percentage of assisted clients belonging to priority groups. Number of units/beds created or adapted for priority clients.
	Senior renters receive assistance in order to maintain independence.	Number of senior households assisted through housing programs.
Low and moderate income households have an expanded range of housing options.	Local governments have access to information and planning tools to achieve their goals with respect to affordable housing options in their communities.	Percentage of local governments in communities over 100,000 that apply affordable housing planning tools and techniques.
Balanced landlord and tenant rights and responsibilities.	Consumer protection legislation in place for assisted living and supportive housing landlords and tenants.	Legislation in place to extend protection to landlords and tenants in assisted living and supporting housing arrangements.
	Landlord and tenant disputes are avoided or resolved in a timely manner.	Percentage of residential tenancy arbitrations scheduled to take place within six weeks.

Related Initiatives and Planning Processes

Regulatory Reform

The Office's regulatory reform initiatives are designed to ensure that British Columbia's regulatory climate supports strong, safe and healthy communities.

The ministry will support Government's Regulatory Reform initiatives by committing to controlling regulatory burden and improving regulatory quality by:

- Identifying at least one regulatory reform opportunity that will shift the ministry's regulations to be more citizen-centred, cost-effective, results-based, and responsive to our clients by reducing and/or streamlining the steps or business processes involved in complying with ministry regulations; and
- Adhering to the regulatory criteria set out in the Regulatory Reform Policy, and targeting a zero per cent net increase in regulation through 2008/09.

In support of the first objective above, over the next two years the Office of Housing and Construction Safety will amend the *Safety Standards Act* and new editions of the B.C. Building Code and B.C. Fire Code will be adopted in an objective-based code format, increasing harmonization with building regulation in other provinces and territories.

Ministry Citizen-Centred Service Delivery

Ensuring that clients have convenient access to high quality, seamless services is a priority for the Government of British Columbia. To make sure that citizens, businesses and public sector organizations can access the services they need with ease, work is underway to coordinate a government-wide shift towards citizen-centred service delivery. A citizen-centred approach will help ensure that services are designed and delivered to meet the evolving needs of end users and do this in a cost-effective and responsive manner.

The Office of Housing and Construction Standards provides services indirectly through its funded agencies (e.g., BC Housing) and directly through the Residential Tenancy Office (RTO). Improvements are underway in the RTO to provide better and more efficient services to citizens.

With respect to the services provided directly by the Office of Housing and Construction Standards, the RTO Case Management System will be fully implemented, including the capacity for major landlords to apply and pay for arbitration online. Arbitration processes and procedures will be restructured to reduce wait times and help resolve disputes quicker. RTO administration is improving to ensure quicker responses to telephone, fax, e-mail and in-person requests for information and services. Persons needing information after office

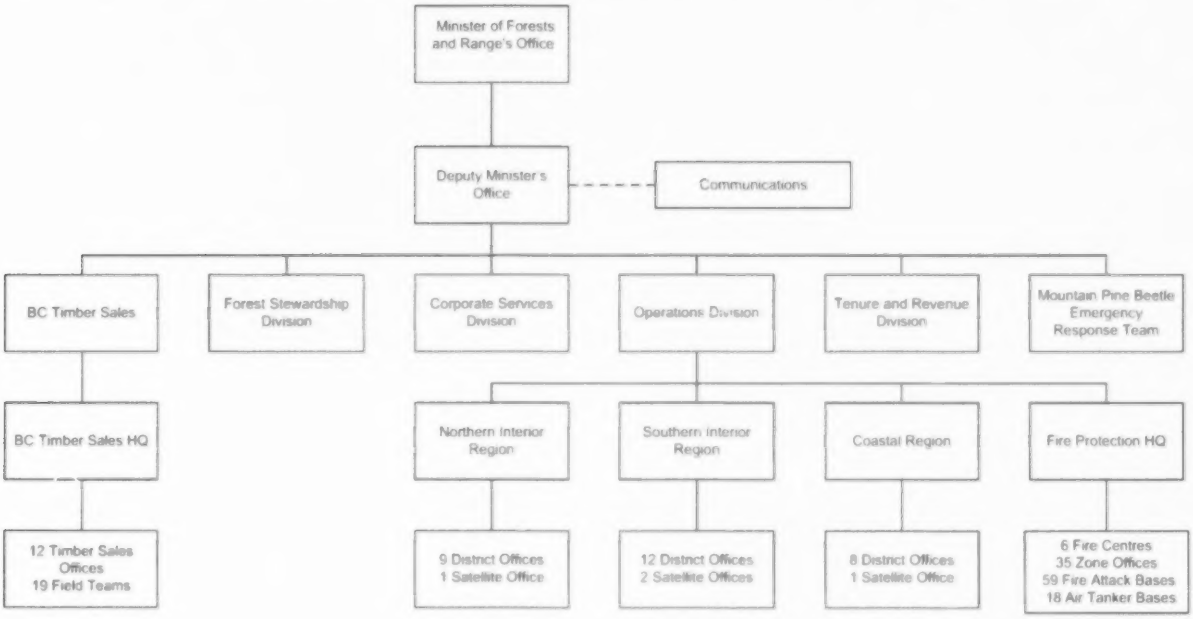
hours can contact RTO's 24 hour recorded information line. RTO publications are being revised and updated, and a full complement of information materials is available on the RTO website.

Legislative changes will result in consumer protection for assisted living and supportive housing tenancies. A comprehensive range of information and dispute resolution services will be available to meet the special needs of these landlords and tenants.

The Office of Housing and Construction Standards will continue to strive to improve the delivery of services to all of its clients.

Appendices

Appendix 1: Forests and Range Organization Structure



The Ministry of Forests and Range has a decentralized structure (see Figure above), with the majority of staff in field offices in close proximity to the forests they protect and manage and the clients and communities they serve. The Operations Division of the ministry consists of three forest region offices with 29 forest district offices, 4 satellite offices; and 6 fire centres, 35 zone offices, 59 fire attack bases and 18 air tanker bases. Staff in Operations Division are involved in all core business areas except BC Timber Sales. BC Timber Sales includes 12 BC Timber Sales offices with 19 field team locations.

The Victoria headquarters staff are organized as follows: Corporate Services Division, Operations Division (including Fire Protection), Forest Stewardship Division, Tenure and Revenue Division, and BC Timber Sales. A Mountain Pine Beetle Emergency Response Team, under direction of a new Assistant Deputy Minister, was added in 2005/06 to provide co-ordination to government's response to the Mountain Pine Beetle epidemic.

The Forest Stewardship Division includes staff in the Forest Practices Branch, Research Branch, Forest Analysis and Inventory Branch and the Tree Improvement Branch, which manages the Tree Seed Centre and five seed orchard facilities. Inventory staff were

transferred to the ministry from the previous Ministry of Sustainable Resource Management in 2005/06.

In the Tenure and Revenue Division are Economics and Trade, Revenue, Resource Tenures and Engineering, and Aboriginal Affairs branches.

The Operations Division personnel in Victoria are the Compliance and Enforcement Branch and executive and support staff to Fire Protection and Field Services staff. The Range Branch, based in Kamloops, B.C., was established in 2005 by bringing together range staff from Forest Practices Branch and staff transferred to the ministry from Land and Water BC.

Corporate Services Division, provide overall co-ordination of policy development and support services to the entire ministry in the areas of financial services, human resources, information technology, and strategic policy and legislation development.

Appendix 2: Federal Funding for Mountain Pine Beetle Action Plan — Summary

Mitigating the impacts of the Mountain Pine Beetle infestation goes well beyond forestry-related activities or the scope of any one ministry. This prompted the development of a comprehensive annually updated 5-year Mountain Pine Beetle Action Plan that provides a broader, longer-term approach involving all appropriate government ministries. In 2005/06 the federal government contributed $100 million that will be utilized over three years to assist the province in implementing the five-year action plan components that are of federal interest. Other components are being supported from provincial funding or through license agreements with industry. Those initiatives are included in other areas of this Service Plan.

The federal funding provided in 2005 addresses strategies that support six of the seven objectives of the MPB Action Plan aimed at mitigating the social, economic and environmental consequences of the MPB infestation now and in the future. These are:

1. Ensuring long-term economic stability for communities;
2. Maintaining and protecting public health, safety and infrastructure;
3. Recovering the greatest value from dead timber before it burns or decays, while respecting other forest values;
5. Preventing or reduce damage to forests in areas that are susceptible but not yet experiencing epidemic infestations;
6. Restoring the forest resources in areas affected by the epidemic; and,
7. Effective overall coordination and management of the Action Plan

The Implementation Strategy includes the following allocations in support of the programs described under each Action Plan Objective.

Funding Allocations by Program

Program	3 Year Funding Millions
Community Diversification and Stability	$ 13.2
Natural Range	$ 4.5
Fuel Management	$ 24.8
Research and Development — Wood Products	$ 6.3
Parks/Protected Areas MPB Mitigation	$ 2.7
Spread Control	$ 21.7
Inventory	$ 10.9
Research and Development — Bio-physical	$ 6.7
Ecosystem Restoration	$ 7.0
Corporate Support	$ 2.2
Total	**$ 100.0**

Data to report on actual accomplishments for most of the Performance measures associated with the MPB Action Plan in 2005/06 will not be available until the end of the fiscal year. For this reason "estimated actual" performance has not been provided in this section, but will be reported in the 2005/06 Annual Service Plan Report. The 2005/06 targets from the action plan are indicated.

Objective 1: *Encourage long-term economic sustainability for communities affected by the MPB epidemic.*

This objective is to encourage long-term economic sustainability for communities affected by the MPB epidemic by supporting the development and implementation of strategic regional business plans for forest dependent communities and First Nations within the affected areas. Other funding sources further address the implementation of these plans

Program: Community Diversification and Stability.

Strategies:

Supporting development of community economic planning including work to explore possibilities for economic diversification, economic pre-feasibility analysis on opportunities, investment recruitment, business retention, community marketing and general economic research.

Performance Indicator:

Number of regional community associations established with business plans for MPB mitigation: A measure of the many communities and First Nations that have taken the opportunity to develop economic diversification strategies that will mitigate the negative economic impacts of the MPB infestation. (Data source: grant recipients will report outcomes as part of the funding agreement).

This performance indicator has been changed from the one published in the 2005/06 Service Plan. In 2005/06 the measure represented the number of community socio economic adjustments plans expected at the end of the process. This measure and target was set before it was clear how the community action coalition process would progress. Since the community action coalitions will produce a business plan to initiate the process, and the social-economic plan may take longer than one year to develop, it has been decided to track business plans as most representative of the annual outputs expected from the program. Targets have been adjusted to reflect the new measure.

Program	Performance Indicator	2005/06 Target	2006/07 Target	2007/08 Target	2008/09 Target
Community Diversification and Stability.	Number of regional community associations established with business plans for MPB mitigation	2 community business plans	0 community business plan	1 community business plan	**

**Funding not yet identified beyond 2007/08.

Program: Natural Range

This program seeks to mitigate the impact of MPB on livestock production by controlling livestock distribution and protecting environmental rangeland values in affected communities.

Strategies:

- Replacing natural range barriers and range developments lost or damaged during timber harvesting and associated road construction (not associated with forest licensee responsibilities under the *Forest Range and Practices Act*);
- Supporting developments to redistribute livestock to use forage produced in beetle kill areas and to control invasive plant spread.

Performance Indicator:

Animal Unit Months (AUMs) of forage protected from loss due to MPB impacts: AUMs of forage authorized measures how well the ministry is maintaining the production and utilization of forage in areas affected by the MPB infestation. (Data source: MoFR district).

Program	Performance Indicator	2005/06 Target	2006/07 Target	2007/08 Target	2008/09 Target
Natural Range	AUMs of forage protected from loss due to MPB impacts	24,000 AUMs*	68,000 AUMs	77,000 AUMs	**

*2005/06 published target — this is being adjusted to reflect new priorities relative to First Nations.
**Funding not yet identified beyond 2007/08.

Objective 2: *Maintain and protect public health, safety and infrastructure.*

This objective reflects the ministry's intent to maintain and protect public health, safety and infrastructure by reducing the risk of catastrophic wildfire close to developed areas. Other programs address health and safety issues such as those associated with the accelerated salvage harvest.

Program: Fuel Management.

Strategies:

Conduct treatments to reduce combustible fuels within the hazardous interface areas surrounding communities to reduce the risk of ignition and spread of wildfire.

Performance Indicator:

Hectares treated for fuel management to protect interface areas impacted by MPB: This measures the ministry's success in reducing fuel loads through prescribed burning, slash removal on old harvesting sites, planning and integration with other fuel management activities and removal of MPB-affected stands. Data for this measure will be from third-party delivery agents under agreement to carry out these treatments (Data source: Community agreement recipients will report achievements through the program's third-party delivery agent who will report summary achievements to MoFR on a quarterly basis).

Program	Performance Indicator	2005/06 Target	2006/07 Target	2007/08 Target	2008/09 Target
Fuel Management.	Hectares treated for fuel management to protect interface areas impacted by MPB	6 000 ha*	10 000 ha	10 000 ha	**

*2005/06 published target — this is being adjusted to reflect new priorities relative to First Nations.
**Funding not yet identified beyond 2007/08.

Objective 3: *Recover the greatest value from dead stands impacted by MPB, while respecting other forest values.*

This objective reflects the ministry's intent to recover the greatest value from dead stands impacted by MPB. The Federal funding is focused on ensuring that market access and manufacturing problems are not the limiting factor to a successful long-term salvage program. Other programs such as the ministry's accelerated salvage harvest initiative are supporting other aspects of this objective.

Program: Research and Development — Wood Products

Strategies:

- Solving immediate manufacturing problems as quickly as possible to improve the profitability of the dead dry wood; and,
- Developing new products and markets for the material;

Performance Indicator:

Number of new products/applications for MPB timber identified and introduced to markets: Identifying new products will help establish the profitability and value of salvage cutting rights. (Data source: FII Ltd. quarterly and annually).

Program	Performance Indicator	2005/06 Target	2006/07 Target	2007/08 Target	2008/09 Target
Research and Development — Wood Products.	Number of new products/ applications for MPB timber identified and introduced to markets.	3 products	4 products	4 products	**

**Funding not yet identified beyond 2007/08.

Objective 4: *Conserve the long-term forest values identified in land-use plans.*

This objective reflects the ministry's intent to ensure that all resource values are considered in MPB management practices in a manner consistent with existing or revised land use plans. This is primarily a planning, licensing and tenure administration initiative. Federal resources have not been directed to this area.

Objective 5: *Preventing or reduce damage to forests in areas that are susceptible but not yet experiencing epidemic infestations.*

Actions to control MPB infestations will be taken to prevent or reduce damage to forests in areas that are susceptible to but not yet experiencing epidemic infestations including parks and protected areas. A primary focus is minimizing or eliminating the potential for

the infestation to spread from B.C.'s forests into Alberta and beyond to the boreal forests of northern Canada. Various funding sources are supporting aspects of this objective.

Program: Spread Control

Strategies:

- Conducting aerial and ground surveys, spot treatments, prescribed burns and incremental costs for strategic harvesting, such as access improvement planning, to destroy the beetles before they emerge and spread (Spread Control).
- Managing infestation within parks and protected areas on a priority basis through fuel management, spread control using controlled burns, and ecosystem restoration to protect critical species (Parks MPB Control).

Performance Indicator:

Hectares treated through single tree treatments to control rate of spread of MPB: Efforts to limit the spread of the beetle are concentrated on the four forest districts on the eastern edge of B.C. Single tree treatments are being used to prevent the spread of the beetle beyond B.C.'s borders. Data for this measure will be from licensees and third-party delivery agents under agreement to carry out these treatments (Data source: ministry districts).

Program	Performance Indicator	2005/06 Target	2006/07 Target	2007/08 Target	2008/09 Target
Spread Control.	Hectares treated through single tree treatments to control rate of spread of MPB	5 000 ha*	3 750 ha	2 100 ha	**

*Published target was 6 000 hectares — target was adjusted during 2005/06 to reflect new priorities relative to First Nations.
**Funding not yet identified beyond 2007/08.

Program: Parks and Protected Areas MPB control

Strategy:

- Managing infestation within parks and protected areas on a priority basis through fuel management, spread control using controlled burns, and restoration within parks. (Parks MPB Control).

Performance Indicator:

Per cent of at risk sites treated in parks and protected areas to mitigate impacts of the MPB infestation: This is a measure of the areas that will receive required treatments on a priority basis, to address public safety from falling snags and fire, fall and burn and fall and removal treatments (Data source: MOE, through regional coordinators and internal tracking mechanisms).

Program	Performance Indicator	2005/06 Target	2006/07 Target	2007/08 Target	2008/09 Target
Parks and Protected Areas MPB mitigation.	Per cent of at risk sites treated in parks and protected areas to mitigate impacts of the MPB infestation	19%	56%	100%	**

**Funding not yet identified beyond 2007/08.

Objective 6: *Restore the forest resource in areas affected by the Mountain Pine Beetle Epidemic.*

This objective includes a variety of initiatives focused on restoring the damaged forest and associated environmental values. It includes programs fundamental to the restoration work and is highly integrated with the activities of other funding sources and ministry initiatives such as the Forests For Tomorrow program.

Program: Inventory

To provide planning information on the spread of the beetle to support the spread control, salvage and follow-up mitigation/restoration programs.

Strategy:

- Ensuring that the various mitigation initiatives have the required land, inventory and mapping information they need to succeed.

Performance Indicator:

Number of map sheets imaged of area susceptible to MPB infestation: This new measure indicates the maps and imagery that will be generated to show current locations of MPB. (Data source: mapsheets).

Program: Bio-Physical Research

To supplement applied research efforts that provide MPB-related information for policy evolution and for resource planning and treatment decision making.

Strategy:

- Providing credible and relevant scientific knowledge to support the conservation of long-term forest values identified in land use plans and restoration of forest resources in areas affected by the epidemic.

Performance Indicator:

Number of peer reviewed project reports or extension events on priority MPB issues: This new measure indicates the number of reports and extension events that provide MPB-related information for policy evolution and for resource planning and decision making in

the areas of reforestation and restoration in riparian zones, forest productivity restoration (e.g., erosion mitigation), maintenance of biodiversity (including species at risk, anadromous fish, non-timber forest products, coarse woody debris, critical wildlife habitat structures); silviculture options and improving timber growth and value, and maintenance of watershed and hydrologic functioning (Data source: through program third-party delivery agent to the FIA Forest Science Board).

Program: Ecosystem Restoration

To assess and mitigate the environmental effects on fish, water quality, endangered species and biodiversity (delivered under agreement with and by the Ministry of Environment).

Strategy:

- Addressing MPB impacts through planning, surveys and treatments for terrestrial and aquatic species and habitat restoration, water quality/quantity and other non-timber objectives;

Performance Indicator:

Number of watersheds treated for ecosystem restoration as required as a result of MPB: Specific target watersheds and/or locations in B.C. are being identified for the treatments addressed by this new measure. Treatments include: mitigation options for species-at-risk; treatments in unharvested areas (e.g., old growth, protected areas, riparian areas); modification of habitat, including the use of silviculture techniques; and, treatments that improve fish passage and water quality (Data source: delivery agent for MOE reports quarterly through the MoFR's reporting process).

Program	Performance Indicators	2005/06 Target	2006/07 Target	2007/08 Target	2008/09 Target
Inventory.	Number of map sheets imaged of area susceptible to MPB infestation	300 map sheets	400 map sheets	300 map sheets	**
Research and Development - Biophysical.	Number of peer reviewed project reports or extension events addressing priority MPB issues	25	70	70	**
Ecosystem Restoration.	Number of watersheds treated for ecosystem restoration as required as a result of MPB	1 watershed	8 watersheds	11 watersheds	**

**Funding not yet identified beyond 2007/08.

Objective 7: ***Coordinated and effective planning and implementation in support of all programs.***

This objective is achieved through planning and management that supports the overall program. All funding sources and program areas support aspects of this objective.

Appendix 3: Forests and Range Glossary

Allowable Annual Cut (AAC) — The rate of timber harvest permitted each year from a specified area of land, usually expressed as cubic metres of wood per year.

Animal Unit Months (AUMs) — The unit by which forage or grazing capability of Crown rangeland is measured. It is 450 km of forage, which is the amount of forage required for one month by an average cow, aged 6 months or older.

Certification — The process of identifying forest products as those produced by organizations whose forest practices or management systems meet a set of defined voluntary certification standards, based upon independent assessments. Certification is intended to assure companies and consumers around the world that the forest products they purchase come from well-managed forests.

Criteria and Indicators — A criterion is a category of conditions or processes by which sustainable forest management may be assessed. An indicator is a measure of an aspect of the criterion. Those used in Canada are generally based on the Montreal Process initiated in 1994. This was an international meeting where criteria and indicators for the conservation and sustainable management of temperate and boreal forests were developed and agreed to internationally.

Discretionary Silviculture Activities — Silviculture activities that are not required by legislation. These may include backlog reforestation (areas harvested prior to 1987), reforestation activities on some areas burned by wildfire, and brushing, spacing, fertilizing and pruning.

Forest and Range Assets — All the forest and range resources on Crown land, including the water, soil, biodiversity, timber, forage, wildlife habitat, recreation, and scenic resources.

Forest Encroachment — Refers to the intrusion or establishment of a significant number of tress on grassland(s).

Forest Ingrowth — Refers to the process whereby previously open forest becomes more dense, and treed grasslands become more densely covered with young trees.

Forest Stand Management Fund — This account was originally established as a fund by the *Forest Stand Management Fund Act*, 1986, and was changed to a Special Account under the *Special Accounts Appropriation and Control Act* in 1988. Revenue is provided by contributions from municipalities, the forest industry, forest sector unions, and others through money collected in accordance with legislation; penalties levied in accordance with legislation; and from stumpage levies. Expenses provide for enhanced management of British Columbia's forest and rangelands, for silviculture work and costs related to environmental remediation, for the costs of investigating contravention of legislation, for fire suppression costs related to contraventions of legislation where a penalty has been levied in

respect of the contravention, and for reforestation and road deactivation in areas subject to stumpage levies. No financing transactions are provided for under this account.

Provincial Forest Land-base — Crown land designated by the *Forest Act* (Section 5) as under the direct jurisdiction of the Ministry of Forests. This is generally equivalent to the Crown land area in TFL's, Woodlot Licences, and TSA's (excluding vacant Crown land).

Provincial Forest Resources — Means the resource elements of water, soil, air, and biodiversity (genetic, species and ecosystem) and the resource values associated with provincial forests including, without limitation, timber, forage, wildlife, fish, botanical forest products, cultural heritage resources, visual quality, resource features, and recreation resources.

Sustainable Forest Management (SFM) — SFM, as defined by the Canadian Council of Forest Ministers is: "To maintain and enhance the long-term health of our forest ecosystems, for the benefit of all living things both nationally and globally, while providing for environmental, economic, social and cultural opportunities for the benefit of present and future generations."

Timber Supply Area (TSA) — Land designated under the *Forest Act* that is managed for sustainable timber harvest, as determined by an allowable annual cut. There are currently 37 TSAs in British Columbia.

Appendix 4: Rationale for Changing Housing Performance Measures

The Office of Housing and Construction Standards has changed several of the performance measures that appeared in the 2004/05 Service Plan. These changes were made for one or more of the following reasons:

1. The new performance measures provide for better links between the Office's goals and objectives;
2. The new measures are more representative of the activities of the Office; or
3. The new measures reflect common links with service delivery partners (e.g., BC Housing).